

ANNUAL STATEMENT  
OF THE  
Memphis Managed Care Corporation

of  
Memphis  
In the state of  
Tennessee

TO THE  
Insurance Department  
OF THE STATE OF  
Tennessee

FOR THE YEAR ENDED  
DECEMBER 31, 2005

2005

2005



HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDING DECEMBER 31, 2005  
OF THE CONDITION AND AFFAIRS OF THE

MEMPHIS MANAGED CARE CORPORATION

NAIC Group Code 0000, 2004 NAIC Company Code 00000 Employer's ID Number 621539163  
(Current Period) (Prior Period)

Organized under the Laws of TENNESSEE, State of Domicile or Port of Entry Tennessee

Country of Domicile US

Licensed as business type:

Life Accident and Health [ ] Property/Casualty [ ] Hospital, Medical and Dental Service or Indemnity [ ]  
Dental Service Corporation [ ] Vision Service Corporation [ ] Other [ ]  
Health Maintenance Organization [ X ] Is HMO Federally Qualified? Yes (X) No ( )

Incorporated/Organized July 7, 1993 Commenced Business January 1, 1994

Statutory Home Office 1407 Union Ave. Suite 200, Memphis, Tennessee 38104  
(Street and Number, City or Town, State and Zip Code)

Main Administrative Office 1407 Union Ave. Suite 200, Memphis, Tennessee 38104 901-725-7100  
(Street and Number, City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address 1407 Union Ave. Suite 200, Memphis, Tennessee 38104  
(Street and Number, City or Town, State and Zip Code)

Primary Location of Books and Records 1407 Union Ave. Suite 200, Memphis, Tennessee 38104  
(Street and Number, City or Town, State and Zip Code)  
901-725-7100  
(Area Code) (Telephone Number)

Internet Website Address www.mmcc-tlc.com

Statutory Statement Contact Cheryl A. Miller 901-725-7100x3022  
(Name) (Area Code) (Telephone Number) (Extension)  
cmiller@mmcc-tlc.com  
(E-Mail Address) (Fax Number)

Policyowners N/A  
Relations (Street and Number, City or Town, State and Zip Code) (Area Code) (Telephone Number) (Extension)  
Contact and Phone Number

OFFICERS

- 1. AL KING (President)
- 2. BRUCE STEINHAUER, DR. (Secretary)

VICE PRESIDENTS

DIRECTORS OR TRUSTEES

JEFF BRANDON  
STEVEN BURKETT  
BARRY FOWLER  
BRENDA JETTER  
AL KING  
STUART POLLY, DR.  
DENNIS SCHABERG, DR.  
ANDY SPOONER, DR.  
BRUCE STEINHAUER, DR.

State of Tennessee }  
County of Shelby } SS

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively.

AL KING  
President  
BRUCE STEINHAUER, DR.  
Secretary  
Subscribed and sworn to before me this 1 day of March, 2006  
NOTARY PUBLIC (Seal)  
DEBBY THOMAS  
NOTARY PUBLIC  
AT LARGE  
SHELBY CO. TN

MY COMMISSION EXPIRES AUG. 1, 2007

- a. Is this an original filing? Yes (X) No ( )  
b. If no: 1. State the amendment number  
2. Date filed  
3. Number of pages attached

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Column 1 minus Column 2)	4 Net Admitted Assets
1. Bonds (Schedule D) .....	17,364,710		17,364,710	2,613,127
2. Stocks (Schedule D):				
2.1 Preferred stocks .....				
2.2 Common stocks .....				
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens .....				
3.2 Other than first liens .....				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ ..... encumbrances) .....				
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....				
4.3 Properties held for sale (less \$ ..... encumbrances) .....				
5. Cash (\$ ..... 5,991,255 , Schedule E - Part 1) , cash equivalents (\$ ..... , Schedule E - Part 2) and short-term investments (\$ ..... , Schedule DA) .....	5,991,255		5,991,255	10,318,148
6. Contract loans (including \$ ..... premium notes) .....				
7. Other invested assets (Schedule BA) .....				
8. Receivables for securities .....				
9. Aggregate write-ins for invested assets .....				
10. Subtotals, cash and invested assets (Line 1 through Line 9) .....	23,355,965		23,355,965	12,931,275
11. Title plants less \$ ..... charged off (for Title insurers only) .....				
12. Investment income due and accrued .....	165,141		165,141	39,288
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection .....				
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premiums) .....				
13.3 Accrued retrospective premiums .....				
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers .....				123,077
14.2 Funds held by or deposited with reinsured companies .....				
14.3 Other amounts receivable under reinsurance contracts .....				
15. Amounts receivable relating to uninsured plans .....				
16.1 Current federal and foreign income tax recoverable and interest thereon .....				
16.2 Net deferred tax asset .....				
17. Guaranty funds receivable or on deposit .....				
18. Electronic data processing equipment and software .....	583,866	583,866		
19. Furniture and equipment, including health care delivery assets (\$ ..... ) .....	155,232	155,232		
20. Net adjustment in assets and liabilities due to foreign exchange rates .....				
21. Receivables from parent, subsidiaries and affiliates .....	563,933		563,933	51,069
22. Health care (\$ ..... ) and other amounts receivable .....	4,766,529		4,766,529	
23. Aggregate write-ins for other than invested assets .....	381,978	381,978		
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Line 10 to Line 23) .....	29,972,644	1,121,076	28,851,568	13,144,709
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....				
26. TOTALS (Line 24 and Line 25) .....	29,972,644	1,121,076	28,851,568	13,144,709
DETAILS OF WRITE-INS				
0901. ....				
0902. ....				
0903. ....				
0998. Summary of remaining write-ins for Line 9 from overflow page .....				
0999. Totals (Line 0901 through Line 0903 plus Line 0998) (Line 9 above) .....				
2301. Prepaid Exp .....	291,978	291,978		
2302. Other .....	90,000	90,000		
2303. ....				
2398. Summary of remaining write-ins for Line 23 from overflow page .....				
2399. Totals (Line 2301 through Line 2303 plus Line 2398) (Line 23 above) .....	381,978	381,978		

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ ..... reinsurance ceded) .....				
2. Accrued medical incentive pool and bonus amounts .....				
3. Unpaid claims adjustment expenses .....				
4. Aggregate health policy reserves .....				
5. Aggregate life policy reserves .....				
6. Property/casualty unearned premium reserve .....				
7. Aggregate health claim reserves .....				
8. Premiums received in advance .....				
9. General expenses due or accrued .....	2,313,261		2,313,261	4,886,796
10.1 Current federal and foreign income tax payable and interest thereon (including \$ ..... on realized capital gains (losses)) .....				
10.2 Net deferred tax liability .....				
11. Ceded reinsurance premiums payable .....				
12. Amounts withheld or retained for the account of others .....				
13. Remittances and items not allocated .....				
14. Borrowed money (including \$ ..... current) and interest thereon \$ ..... (including \$ ..... current) .....				
15. Amounts due to parent, subsidiaries and affiliates .....				137,000
16. Payable for securities .....				
17. Funds held under reinsurance treaties with (\$ ..... authorized reinsurers and \$ ..... unauthorized reinsurers) .....				
18. Reinsurance in unauthorized companies .....				
19. Net adjustments in assets and liabilities due to foreign exchange rates .....				
20. Liability for amounts held under uninsured accident and health plans .....				
21. Aggregate write-ins for other liabilities (including \$ ..... current) .....				
22. Total liabilities (Line 1 to Line 21) .....	2,313,261		2,313,261	5,023,796
23. Aggregate write-ins for special surplus funds .....	X X X	X X X		
24. Common capital stock .....	X X X	X X X		
25. Preferred capital stock .....	X X X	X X X		
26. Gross paid in and contributed surplus .....	X X X	X X X	3,699,498	3,699,498
27. Surplus notes .....	X X X	X X X		
28. Aggregate write-ins for other than special surplus funds .....	X X X	X X X		
29. Unassigned funds (surplus) .....	X X X	X X X	22,838,810	17,419,440
30. Less treasury stock, at cost:				
30.1 ..... shares common (value included in Line 24 \$ ..... ) .....	X X X	X X X		
30.2 ..... shares preferred (value included in Line 25 \$ ..... ) .....	X X X	X X X		
31. Total capital and surplus (Line 23 to Line 29 minus Line 30) .....	X X X	X X X	26,538,308	21,118,938
32. Total liabilities, capital and surplus (Line 22 and Line 31) .....	X X X	X X X	28,851,569	26,142,734
DETAILS OF WRITE-INS				
2101. ....				
2102. ....				
2103. ....				
2198. Summary of remaining write-ins for Line 21 from overflow page .....				
2199. Totals (Line 2101 through Line 2103 plus Line 2198) (Line 21 above) .....				
2301. ....	X X X	X X X		
2302. ....	X X X	X X X		
2303. ....	X X X	X X X		
2398. Summary of remaining write-ins for Line 23 from overflow page .....	X X X	X X X		
2399. Totals (Line 2301 through Line 2303 plus Line 2398) (Line 23 above) .....	X X X	X X X		
2801. ....	X X X	X X X		
2802. ....	X X X	X X X		
2803. ....	X X X	X X X		
2898. Summary of remaining write-ins for Line 28 from overflow page .....	X X X	X X X		
2899. Totals (Line 2801 through Line 2803 plus Line 2898) (Line 28 above) .....	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months .....	XXX	2,246,795	2,369,087
2. Net premium income (including \$ ..... non-health premium income) .....	XXX		
3. Change in unearned premium reserves and reserve for rate credits .....	XXX		
4. Fee-for-service (net of \$ ..... medical expenses) .....	XXX		
5. Risk revenue .....	XXX		
6. Aggregate write-ins for other health care related revenues .....	XXX		
7. Aggregate write-ins for other non-health revenues .....	XXX		
8. Total revenues (Line 2 to Line 7) .....	XXX		
<b>Hospital and Medical:</b>			
9. Hospital/medical benefits .....			
10. Other professional services .....			
11. Outside referrals .....			
12. Emergency room and out-of-area .....			
13. Prescription drugs .....			
14. Aggregate write-ins for other hospital and medical .....			
15. Incentive pool, withhold adjustments, and bonus amounts .....			
16. Subtotal (Line 9 to Line 15) .....			
<b>Less:</b>			
17. Net reinsurance recoveries .....			
18. Total hospital and medical (Line 16 minus Line 17) .....			
19. Non-health claims (net) .....			
20. Claims adjustment expenses, including \$ ..... cost containment expenses .....		2,688,754	3,083,974
21. General administrative expenses .....		(8,711,995)	(10,408,590)
22. Increase in reserves for life and accident and health contracts (including \$ ..... increase in reserves for life only) .....			
23. Total underwriting deductions (Line 18 through Line 22) .....		(6,023,241)	(7,324,616)
24. Net underwriting gain or (loss) (Line 8 minus Line 23) .....	XXX	6,023,241	7,324,616
25. Net investment income earned (Exhibit of Net Investment Income, Line 17) .....		864,208	247,606
26. Net realized capital gains (losses) less capital gains tax of \$ .....			
27. Net investment gains (losses) (Line 25 plus Line 26) .....		864,208	247,606
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$ ..... ) (amount charged off \$ ..... )] .....			
29. Aggregate write-ins for other income or expenses .....		1,085,237	783,223
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Line 24 plus Line 27 plus Line 28 plus Line 29) .....	XXX	7,972,686	8,355,445
31. Federal and foreign income taxes incurred .....	XXX		
32. Net income (loss) (Line 30 minus Line 31) .....	XXX	7,972,686	8,355,445
<b>DETAILS OF WRITE-INS</b>			
0601. ....	XXX		
0602. ....	XXX		
0603. ....	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page .....	XXX		
0699. Totals (Line 0601 through Line 0603 plus Line 0698) (Line 6 above) .....	XXX		
0701. ....	XXX		
0702. ....	XXX		
0703. ....	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page .....	XXX		
0799. Totals (Line 0701 through Line 0703 plus Line 0798) (Line 7 above) .....	XXX		
1401. ....			
1402. ....			
1403. ....			
1498. Summary of remaining write-ins for Line 14 from overflow page .....			
1499. Totals (Line 1401 through Line 1403 plus Line 1498) (Line 14 above) .....			
2901. ....		1,085,237	783,223
2902. ....			
2903. ....			
2998. Summary of remaining write-ins for Line 29 from overflow page .....			
2999. Totals (Line 2901 through Line 2903 plus Line 2998) (Line 29 above) .....		1,085,237	783,223

STATEMENT OF REVENUE AND EXPENSES (continued)

CAPITAL AND SURPLUS ACCOUNT	1	2
	Current Year	Prior Year
33. Capital and surplus prior reporting year .....	21,118,907	13,017,648
GAINS AND LOSSES TO CAPITAL AND SURPLUS		
34. Net income or (loss) from Line 32.....	7,972,686	8,355,445
35. Change in valuation basis of aggregate policy and claims reserves .....		
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ .....		
37. Change in net unrealized foreign exchange capital gain or (loss).....		
38. Change in net deferred income tax .....		
39. Change in nonadmitted assets .....	447,535	755,814
40. Change in unauthorized reinsurance .....		
41. Change in treasury stock .....		
42. Change in surplus notes .....		(1,000,000)
43. Cumulative effect of changes in accounting principles .....		
44. Capital Changes:		
44.1 Paid in .....		
44.2 Transferred from surplus (Stock Dividend) .....		
44.3 Transferred to surplus .....		
45. Surplus adjustments:		
45.1 Paid in .....		
45.2 Transferred to capital (Stock Dividend) .....		
45.3 Tranferred from capital .....		
46. Dividends to stockholders .....	(3,000,000)	
47. Aggregate write-ins for gains or (losses) in surplus .....		(10,000)
48. Net change in capital and surplus (Line 34 to Line 47) .....	5,420,221	8,101,259
49. Capital and surplus end of reporting year (Line 33 plus Line 48).....	26,539,128	21,118,907
DETAILS OF WRITE-INS		
4701. ....		(10,000)
4702. ....		
4703. ....		
4798. Summary of remaining write-ins for Line 47 from overflow page .....		
4799. Totals (Line 4701 through Line 4703 plus Line 4798) (Line 47 above) .....		(10,000)

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance		
2. Net investment income	864,208	261,394
3. Miscellaneous income		625,329
4. Total (Line 1 through Line 3)	864,208	886,723
5. Benefit and loss related payments		
6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	3,773,991	(11,920,324)
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) \$ net tax of capital gains (losses)		
10. Total (Line 5 through Line 9)	3,773,991	(11,920,324)
11. Net cash from operations (Line 4 minus Line 10)	(2,909,783)	12,807,047
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds		
12.2 Stocks		
12.3 Mortgage loans		
12.4 Real estate		
12.5 Other invested assets		
12.6 Net gains or (losses) on cash and short-term investments		
12.7 Miscellaneous proceeds		
12.8 Total investment proceeds (Line 12.1 through Line 12.7)		
13. Cost of investments acquired (long-term only):		
13.1 Bonds		
13.2 Stocks		
13.3 Mortgage loans		
13.4 Real estate		
13.5 Other invested assets		
13.6 Miscellaneous applications		
13.7 Total investments acquired (Line 13.1 through Line 13.6)		
14. Net increase (decrease) in contract loans and premium notes	(1,971,582)	14,253
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	1,971,582	(14,253)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		(1,009,800)
16.2 Capital and paid in surplus, less treasury stock	3,699,498	
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders	(3,000,000)	
16.6 Other cash provided (applied)	229,959	
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	6,929,457	(1,009,800)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)	5,991,256	11,782,994
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year		6,389,811
19.2 End of year (Line 18 plus Line 19.1)	5,991,256	18,172,805

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0001		
20.0002		
20.0003		
20.0004		
20.0005		
20.0006		
20.0007		
20.0008		
20.0009		
20.0010		

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS (Gain and Loss Exhibit)

	1	2	3	4	5	6	7	8	9	10	11	12	13
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-term Care	Other Health	Other Non-Health
1. Net premium income.....													
2. Change in unearned premium reserves and reserve for rate credit.....													
3. Fee-for-service (net of \$ ..... medical expenses).....													XXX
4. Risk revenue.....													XXX
5. Aggregate write-ins for other health care related revenues.....													XXX
6. Aggregate write-ins for other non-health care related revenues.....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
7. Total revenues (Line 1 through Line 6).....													
8. Hospital/medical benefits.....													XXX
9. Other professional services.....													XXX
10. Outside referrals.....													XXX
11. Emergency room and out-of-area.....													XXX
12. Prescription drugs.....													XXX
13. Aggregate write-ins for other hospital and medical.....													XXX
14. Incentive pool, withhold adjustments, and bonus amounts.....													XXX
15. Subtotal (Line 8 through Line 14).....													XXX
16. Net reinsurance recoveries.....													XXX
17. Total hospital and medical (Line 15 minus Line 16).....													XXX
18. Non-health claims (net).....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including \$ ..... cost containment expenses.....	2,688,754							2,688,754					
20. General administrative expenses.....	(8,711,995)							(8,711,995)					
21. Increase in reserves for accident and health contracts.....													XXX
22. Increase in reserves for life contracts.....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Line 17 through Line 22).....	(6,023,241)							(6,023,241)					
24. Net underwriting gain or (loss) (Line 7 minus Line 23).....	6,023,241							6,023,241					
DETAILS OF WRITE-INS													
0501.....													XXX
0502.....													XXX
0503.....													XXX
0598. Summary of remaining write-ins for Line 5 from overflow page.....													XXX
0599. Total (Line 0501 through Line 0503 plus Line 0598) (Line 5 above).....													XXX
0601.....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602.....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page.....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0699. Total (Line 0601 through Line 0603 plus Line 0698) (Line 6 above).....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
1301.....													XXX
1302.....													XXX
1303.....													XXX
1398. Summary of remaining write-ins for Line 13 from overflow page.....													XXX
1399. Total (Line 1301 through Line 1303 plus Line 1398) (Line 13 above).....													XXX



UNDERWRITING AND INVESTMENT EXHIBIT  
Part 1 - Premiums

	1	2	3	4
Line of Business	Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Column 1 plus Column 2 minus Column 3)
1. Comprehensive (hospital and medical) .....				
2. Medicare Supplement .....				
3. Dental only .....				
4. Vision only .....				
5. Federal Employees Health Benefits Plan .....				
6. Title XVIII - Medicare .....	NONE			
7. Title XIX - Medicaid .....				
8. Stop loss .....				
9. Disability income .....				
10. Long-term care .....				
11. Other health .....				
12. Health subtotal (Line 1 through Line 11) .....				
13. Life .....				
14. Property/casualty .....				
15. Totals (Line 12 to Line 14) .....				

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - Claims Incurred During the Year

	1	2	3	4	5	6	7	8	9	10	11	12	13
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other Health	Other Non-Health
1. Payments during the year:													
1.1 Direct													
1.2 Reinsurance assumed													
1.3 Reinsurance ceded													
1.4 Net													
2. Paid medical incentive pools and bonuses													
3. Claim liability December 31, current year from Part 2A:													
3.1 Direct													
3.2 Reinsurance assumed													
3.3 Reinsurance ceded													
3.4 Net													
4. Claim reserve December 31, current year from Part 2D:													
4.1 Direct													
4.2 Reinsurance assumed													
4.3 Reinsurance ceded													
4.4 Net													
5. Accrued medical incentive pools and bonuses, current year													
6. Net healthcare receivables (a)													
7. Amounts recoverable from reinsurers December 31, current year													
8. Claim liability December 31, prior year from Part 2A:													
8.1 Direct													
8.2 Reinsurance assumed													
8.3 Reinsurance ceded													
8.4 Net													
9. Claim reserve December 31, prior year from Part 2D:													
9.1 Direct													
9.2 Reinsurance assumed													
9.3 Reinsurance ceded													
9.4 Net													
10. Accrued medical incentive pools and bonuses, prior year													
11. Amounts recoverable from reinsurers December 31, prior year													
12. Incurred benefits:													
12.1 Direct													
12.2 Reinsurance assumed													
12.3 Reinsurance ceded													
12.4 Net													
13. Incurred medical incentive pools and bonuses													

NONE

(a) Excludes \$ loans or advances to providers not yet expensed

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2A - Claims Liability End of Current Year

	1	2	3	4	5	6	7	8	9	10	11	12	13
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other Health	Other Non-Health
1. Reported in Process of Adjustment:													
1.1 Direct .....													
1.2 Reinsurance assumed .....													
1.3 Reinsurance ceded .....													
1.4 Net .....													
2. Incurred but Unreported:													
2.1 Direct .....													
2.2 Reinsurance assumed .....													
2.3 Reinsurance ceded .....													
2.4 Net .....													
3. Amounts Withheld from Paid Claims and Capitations:													
3.1 Direct .....													
3.2 Reinsurance assumed .....													
3.3 Reinsurance ceded .....													
3.4 Net .....													
4. TOTALS:													
4.1 Direct .....													
4.2 Reinsurance assumed .....													
4.3 Reinsurance ceded .....													
4.4 Net .....													

NONE

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Column 1 plus Column 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1. Comprehensive (hospital and medical) .....						
2. Medicare Supplement .....						
3. Dental Only .....						
4. Vision Only .....						
5. Federal Employees Health Benefits Plan .....						
6. Title XVIII - Medicare .....						
7. Title XIX - Medicaid .....						
8. Other health .....						
9. Health subtotal (Line 1 through Line 8) .....						
10. Healthcare receivables (a) .....						
11. Other non-health .....						
12. Medical incentive pools and bonus amounts .....						
13. Totals (Line 9 minus Line 10 plus Line 11 plus Line 12) .....						

NONE

(a) Excludes \$ ..... loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS  
(000 Omitted)

Section A - Paid Health Claims - Comprehensive (Hospital and Medical)

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2001	2 2002	3 2003	4 2004	5 2005
1. Prior .....					
2. 2001 .....					
3. 2002 .....	XXX				
4. 2003 .....	XXX	XXX			
5. 2004 .....	XXX	XXX	XXX		
6. 2005 .....	XXX	XXX	XXX	XXX	

Section B - Incurred Health Claims - Comprehensive (Hospital and Medical)

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2001	2 2002	3 2003	4 2004	5 2005
1. Prior .....					
2. 2001 .....					
3. 2002 .....	XXX				
4. 2003 .....	XXX	XXX			
5. 2004 .....	XXX	XXX	XXX		
6. 2005 .....	XXX	XXX	XXX	XXX	

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Comprehensive (Hospital and Medical)

Years in Which Premiums Were Earned and Claims Were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Column 3 divided by Column 2) Percent	5 Claim and Claim Adjustment Expense Payments (Columns 2 + 3)	6 (Column 5 divided by Column 1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Columns 5 + 7 + 8)	10 (Column 9 divided by Column 1) Percent
1. 2001 .....										
2. 2002 .....										
3. 2003 .....										
4. 2004 .....										
5. 2005 .....										

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE MEMPHIS MANAGED CARE CORPORATION

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(000 Omitted)

Section A - Paid Health Claims - Medicare Supplement

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2001	2 2002	3 2003	4 2004	5 2005
1. Prior .....					
2. 2001 .....					
3. 2002 .....	XXX				
4. 2003 .....	XXX	XXX			
5. 2004 .....	XXX	XXX	XXX		
6. 2005 .....	XXX	XXX	XXX	XXX	

Section B - Incurred Health Claims - Medicare Supplement

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2001	2 2002	3 2003	4 2004	5 2005
1. Prior .....					
2. 2001 .....					
3. 2002 .....	XXX				
4. 2003 .....	XXX	XXX			
5. 2004 .....	XXX	XXX	XXX		
6. 2005 .....	XXX	XXX	XXX	XXX	

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Medicare Supplement

Years in Which Premiums Were Earned and Claims Were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Column 3 divided by Column 2) Percent	5 Claim and Claim Adjustment Expense Payments (Columns 2 + 3)	6 (Column 5 divided by Column 1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Columns 5 + 7 + 8)	10 (Column 9 divided by Column 1) Percent
1. 2001 .....										
2. 2002 .....										
3. 2003 .....										
4. 2004 .....										
5. 2005 .....										

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(000 Omitted)

Section A - Paid Health Claims - Dental Only

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2001	2 2002	3 2003	4 2004	5 2005
1. Prior .....					
2. 2001 .....					
3. 2002 .....	XXX				
4. 2003 .....	XXX	XXX			
5. 2004 .....	XXX	XXX	XXX		
6. 2005 .....	XXX	XXX	XXX	XXX	

Section B - Incurred Health Claims - Dental Only

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2001	2 2002	3 2003	4 2004	5 2005
1. Prior .....					
2. 2001 .....					
3. 2002 .....	XXX				
4. 2003 .....	XXX	XXX			
5. 2004 .....	XXX	XXX	XXX		
6. 2005 .....	XXX	XXX	XXX	XXX	

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Dental Only

Years in Which Premiums Were Earned and Claims Were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Column 3 divided by Column 2) Percent	5 Claim and Claim Adjustment Expense Payments (Columns 2 + 3)	6 (Column 5 divided by Column 1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Columns 5 + 7 + 8)	10 (Column 9 divided by Column 1) Percent
1. 2001 .....										
2. 2002 .....										
3. 2003 .....										
4. 2004 .....										
5. 2005 .....										

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(000 Omitted)

Section A - Paid Health Claims - Vision Only

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2001	2 2002	3 2003	4 2004	5 2005
1. Prior .....					
2. 2001 .....					
3. 2002 .....	XXX				
4. 2003 .....	XXX	XXX			
5. 2004 .....	XXX	XXX	XXX		
6. 2005 .....	XXX	XXX	XXX	XXX	

Section B - Incurred Health Claims - Vision Only

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2001	2 2002	3 2003	4 2004	5 2005
1. Prior .....					
2. 2001 .....					
3. 2002 .....	XXX				
4. 2003 .....	XXX	XXX			
5. 2004 .....	XXX	XXX	XXX		
6. 2005 .....	XXX	XXX	XXX	XXX	

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Vision Only

Years in Which Premiums Were Earned and Claims Were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Column 3 divided by Column 2) Percent	5 Claim and Claim Adjustment Expense Payments (Columns 2 + 3)	6 (Column 5 divided by Column 1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Columns 5 + 7 + 8)	10 (Column 9 divided by Column 1) Percent
1. 2001 .....										
2. 2002 .....										
3. 2003 .....										
4. 2004 .....										
5. 2005 .....										



ANNUAL STATEMENT FOR THE YEAR 2005 OF THE MEMPHIS MANAGED CARE CORPORATION

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(000 Omitted)

Section A - Paid Health Claims - Federal Employees Health Benefit Plan

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2001	2 2002	3 2003	4 2004	5 2005
1. Prior .....					
2. 2001 .....					
3. 2002 .....	XXX				
4. 2003 .....	XXX	XXX			
5. 2004 .....	XXX	XXX	XXX		
6. 2005 .....	XXX	XXX	XXX	XXX	

Section B - Incurred Health Claims - Federal Employees Health Benefit Plan

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2001	2 2002	3 2003	4 2004	5 2005
1. Prior .....					
2. 2001 .....					
3. 2002 .....	XXX				
4. 2003 .....	XXX	XXX			
5. 2004 .....	XXX	XXX	XXX		
6. 2005 .....	XXX	XXX	XXX	XXX	

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Federal Employees Health Benefit Plan

Years in Which Premiums Were Earned and Claims Were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Column 3 divided by Column 2) Percent	5 Claim and Claim Adjustment Expense Payments (Columns 2 + 3)	6 (Column 5 divided by Column 1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Columns 5 + 7 + 8)	10 (Column 9 divided by Column 1) Percent
1. 2001 .....										
2. 2002 .....										
3. 2003 .....										
4. 2004 .....										
5. 2005 .....										

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(000 Omitted)

Section A - Paid Health Claims - Title XVIII Medicare

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2001	2 2002	3 2003	4 2004	5 2005
1. Prior .....					
2. 2001 .....					
3. 2002 .....	XXX				
4. 2003 .....	XXX	XXX			
5. 2004 .....	XXX	XXX	XXX		
6. 2005 .....	XXX	XXX	XXX	XXX	

Section B - Incurred Health Claims - Title XVIII Medicare

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2001	2 2002	3 2003	4 2004	5 2005
1. Prior .....					
2. 2001 .....					
3. 2002 .....	XXX				
4. 2003 .....	XXX	XXX			
5. 2004 .....	XXX	XXX	XXX		
6. 2005 .....	XXX	XXX	XXX	XXX	

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Title XVIII Medicare

Years in Which Premiums Were Earned and Claims Were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Column 3 divided by Column 2) Percent	5 Claim and Claim Adjustment Expense Payments (Columns 2 + 3)	6 (Column 5 divided by Column 1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Columns 5 + 7 + 8)	10 (Column 9 divided by Column 1) Percent
1. 2001 .....										
2. 2002 .....										
3. 2003 .....										
4. 2004 .....										
5. 2005 .....										

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE MEMPHIS MANAGED CARE CORPORATION

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(000 Omitted)

Section A - Paid Health Claims - Title XIX Medicaid

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2001	2 2002	3 2003	4 2004	5 2005
1. Prior .....					
2. 2001 .....	108,800,556	44,012,516	230,652		
3. 2002 .....	X X X	89,532,241	1,020,822		
4. 2003 .....	X X X	X X X			
5. 2004 .....	X X X	X X X	X X X		
6. 2005 .....	X X X	X X X	X X X	X X X	

Section B - Incurred Health Claims - Title XIX Medicaid

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2001	2 2002	3 2003	4 2004	5 2005
1. Prior .....					
2. 2001 .....	146,590,261	44,012,516	230,652		
3. 2002 .....	X X X	89,532,241	102,232,201		
4. 2003 .....	X X X	X X X			
5. 2004 .....	X X X	X X X	X X X		
6. 2005 .....	X X X	X X X	X X X	X X X	

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Title XIX Medicaid

Years in Which Premiums Were Earned and Claims Were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Column 3 divided by Column 2) Percent	5 Claim and Claim Adjustment Expense Payments (Columns 2 + 3)	6 (Column 5 divided by Column 1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Columns 5 + 7 + 8)	10 (Column 9 divided by Column 1) Percent
1. 2001 .....	227,755,755	153,043,724			153,043,724	67.196			153,043,724	67.196
2. 2002 .....	116,527,239	90,553,063			90,553,063	77.710			90,553,063	77.710
3. 2003 .....										
4. 2004 .....										
5. 2005 .....										

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(000 Omitted)

Section A - Paid Health Claims - Other

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2001	2 2002	3 2003	4 2004	5 2005
1. Prior .....					
2. 2001 .....					
3. 2002 .....	XXX				
4. 2003 .....	XXX	XXX			
5. 2004 .....	XXX	XXX	XXX		
6. 2005 .....	XXX	XXX	XXX	XXX	

Section B - Incurred Health Claims - Other

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2001	2 2002	3 2003	4 2004	5 2005
1. Prior .....					
2. 2001 .....					
3. 2002 .....	XXX				
4. 2003 .....	XXX	XXX			
5. 2004 .....	XXX	XXX	XXX		
6. 2005 .....	XXX	XXX	XXX	XXX	

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Other

Years in Which Premiums Were Earned and Claims Were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Column 3 divided by Column 2) Percent	5 Claim and Claim Adjustment Expense Payments (Columns 2 + 3)	6 (Column 5 divided by Column 1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Columns 5 + 7 + 8)	10 (Column 9 divided by Column 1) Percent
1. 2001 .....										
2. 2002 .....										
3. 2003 .....										
4. 2004 .....										
5. 2005 .....										

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(000 Omitted)

Section A - Paid Health Claims - Grand Total

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2001	2 2002	3 2003	4 2004	5 2005
1. Prior .....					
2. 2001 .....					
3. 2002 .....	XXX				
4. 2003 .....	XXX	XXX			
5. 2004 .....	XXX	XXX	XXX		
6. 2005 .....	XXX	XXX	XXX	XXX	

Section B - Incurred Health Claims - Grand Total

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2001	2 2002	3 2003	4 2004	5 2005
1. Prior .....					
2. 2001 .....					
3. 2002 .....	XXX				
4. 2003 .....	XXX	XXX			
5. 2004 .....	XXX	XXX	XXX		
6. 2005 .....	XXX	XXX	XXX	XXX	

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Grand Total

Years in Which Premiums Were Earned and Claims Were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Column 3 divided by Column 2) Percent	5 Claim and Claim Adjustment Expense Payments (Columns 2 + 3)	6 (Column 5 divided by Column 1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Columns 5 + 7 + 8)	10 (Column 9 divided by Column 1) Percent
1. 2001 .....										
2. 2002 .....										
3. 2003 .....										
4. 2004 .....										
5. 2005 .....										

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY

	1	2	3	4	5	6	7	8	9	10	11	12
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other
POLICY RESERVE												
1. Unearned premium reserves												
2. Additional policy reserves (a)												
3. Reserve for future contingent benefits												
4. Reserve for rate credits or experience rating refunds (including \$ for investment income)												
5. Aggregate write-ins for other policy reserves												
6. Totals (gross)												
7. Reinsurance ceded												
8. Totals (Net) (Page 3, Line 4)												
CLAIM RESERVE												
9. Present value of amounts not yet due on claims												
10. Reserve for future contingent benefits												
11. Aggregate write-ins for other claim reserves												
12. Totals (gross)												
13. Reinsurance ceded												
14. Totals (Net) (Page 3, Line 7)												
DETAILS OF WRITE-INS												
0501.												
0502.												
0503.												
0598. Summary of remaining write-ins for Line 5 from overflow page												
0599. Totals (Line 0501 through Line 0503 plus Line 0598) (Line 5 above)												
1101.												
1102.												
1103.												
1198. Summary of remaining write-ins for Line 11 from overflow page												
1199. Totals (Line 1101 through Line 1103 plus Line 1198) (Line 11 above)												

NONE

(a) Includes \$ premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3	4	5
	1	2			
	Cost Containment Expenses	Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1. Rent (\$ .....for occupancy of own building) .....		123,663	482,230		605,893
2. Salaries, wages and other benefits .....		2,129,866	9,985,663		12,115,529
3. Commissions (less \$ .....ceded plus \$ .....assumed) .....					
4. Legal fees and expenses .....			210,907		210,907
5. Certifications and accreditation fees .....					
6. Auditing, actuarial and other consulting services .....		325,743	1,855,725		2,181,468
7. Traveling expenses .....		805	133,512		134,317
8. Marketing and advertising .....			61,912		61,912
9. Postage, express, and telephone .....		18,771	622,652		641,423
10. Printing and office supplies .....		27,089	662,292		689,381
11. Occupancy, depreciation and amortization .....					
12. Equipment .....		62,818	1,205,888		1,268,706
13. Cost or depreciation of EDP equipment and software .....			858,581		858,581
14. Outsourced services including EDP, claims, and other services .....					
15. Boards, bureaus and association fees .....			1,307,963		1,307,963
16. Insurance, except on real estate .....			217,070		217,070
17. Collection and bank service charges .....			85,751		85,751
18. Group service and administration fees .....					
19. Reimbursements by uninsured accident and health plans .....					
20. Reimbursements from fiscal intermediaries .....					
21. Real estate expenses .....					
22. Real estate taxes .....			21,440		21,440
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes .....					
23.2 State premium taxes .....					
23.3 Regulator authority licenses and fees .....					
23.4 Payroll taxes .....					
23.5 Other (excluding federal income and real estate taxes) .....					
24. Investment expenses not included elsewhere .....					
25. Aggregate write-ins for expenses .....			(26,423,582)		(26,423,582)
26. Total expenses incurred (Line 1 to Line 25) .....		2,688,755	(8,711,996)		(a) (6,023,241)
27. Less expenses unpaid December 31, current year .....			2,313,261		2,313,261
28. Add expenses unpaid December 31, prior year .....			4,886,796		4,886,796
29. Amounts receivable relating to uninsured accident and health plans, prior year .....					
30. Amounts receivable relating to uninsured accident and health plans, current year .....					
31. Total expenses paid (Line 26 minus Line 27 plus Line 28 minus Line 29 plus Line 30) .....		2,688,755	(6,138,461)		(3,449,706)
DETAILS OF WRITE-INS					
2501. Revenue .....			(26,072,363)		(26,072,363)
2502. Other .....			(351,219)		(351,219)
2503. ....					
2598. Summary of remaining write-ins for Line 25 from overflow page .....					
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above) .....			(26,423,582)		(26,423,582)

(a) Includes management fees of \$ .....to affiliates and \$ .....to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1	2
	Collected During Year	Earned During Year
1. U. S. Government bonds .....	(a) ..... 864,208	..... 864,208
1.1 Bonds exempt from U. S. tax .....	(a) .....	
1.2 Other bonds (unaffiliated) .....	(a) .....	
1.3 Bonds of affiliates .....	(a) .....	
2.1 Preferred stocks (unaffiliated) .....	(b) .....	
2.11 Preferred stocks of affiliates .....	(b) .....	
2.2 Common stocks (unaffiliated) .....		
2.21 Common stocks of affiliates .....		
3. Mortgage loans .....	(c) .....	
4. Real estate .....	(d) .....	
5. Contract loans .....		
6. Cash, cash equivalents and short-term investments .....	(e) .....	
7. Derivative instruments .....	(f) .....	
8. Other invested assets .....		
9. Aggregate write-ins for investment income .....		
10. Total gross investment income .....	..... 864,208	..... 864,208
11. Investment expenses .....		(g)
12. Investment taxes, licenses and fees, excluding federal income taxes .....		(g)
13. Interest expense .....		(h)
14. Depreciation on real estate and other invested assets .....		(i)
15. Aggregate write-ins for deductions from investment income .....		
16. Totals deductions (Line 11 through Line 15) .....		
17. Net investment income (Line 10 minus Line 16) .....		..... 864,208
DETAILS OF WRITE-INS		
0901. ....		
0902. ....		
0903. ....		
0998. Summary of remaining write-ins for Line 9 from overflow page .....		
0999. Totals (Line 0901 through Line 0903 plus Line 0998 ) (Line 9 above) .....		
1501. ....		
1502. ....		
1503. ....		
1598. Summary of remaining write-ins for Line 15 from overflow page .....		
1599. Totals (Line 1501 through Line 1503 plus Line 1598) (Line 15 above) .....		
(a) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ ..... paid for accrued interest on purchases.		
(b) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ ..... paid for accrued dividends on purchases.		
(c) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ ..... paid for accrued interest on purchases.		
(d) Includes \$ ..... for company's occupancy of its own buildings; and excludes \$ ..... interest on encumbrances.		
(e) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ ..... paid for accrued interest on purchases.		
(f) Includes \$ ..... accrual of discount less \$ ..... amortization of premium.		
(g) Includes \$ ..... investment expenses and \$ ..... investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.		
(h) Includes \$ ..... interest on surplus notes and \$ ..... interest on capital notes.		
(i) Includes \$ ..... depreciation on real estate and \$ ..... depreciation on other invested assets.		

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1	2	3	4
	Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Increases (Decreases) by Adjustment	Total
1. U. S. Government bonds .....				
1.1 Bonds exempt from U. S. tax .....				
1.2 Other bonds (unaffiliated) .....				
1.3 Bonds of affiliates .....				
2.1 Preferred stocks (unaffiliated) .....				
2.11 Preferred stocks of affiliates .....				
2.2 Common stocks (unaffiliated) .....				
2.21 Common stocks of affiliates .....				
3. Mortgage loans .....				
4. Real estate .....				
5. Contract loans .....				
6. Cash, cash equivalents and short-term investments .....				
7. Derivative instruments .....				
8. Other invested assets .....				
9. Aggregate write-ins for capital gains (losses) .....				
10. Total capital gains (losses) .....				
DETAILS OF WRITE-INS				
0901. ....				
0902. ....				
0903. ....				
0998. Summary of remaining write-ins for Line 9 from overflow page .....				
0999. Totals (Line 0901 through Line 0903 plus Line 0998 ) (Line 9 above) .....				



EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D) .....			
2. Stocks (Schedule D): .....			
2.1 Preferred stocks .....			
2.2 Common stocks .....			
3. Mortgage loans on real estate (Schedule B): .....			
3.1 First liens .....			
3.2 Other than first liens .....			
4. Real estate (Schedule A): .....			
4.1 Properties occupied by the company .....			
4.2 Properties held for the production of income .....			
4.3 Properties held for sale .....			
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA) .....			
6. Contract loans .....			
7. Other invested assets (Schedule BA) .....			
8. Receivable for securities .....			
9. Aggregate write-ins for invested assets .....			
10. Subtotals, cash and invested assets (Line 1 to Line 9) .....			
11. Title plants (for Title insurers only) .....			
12. Investment income due and accrued .....			
13. Premiums and considerations: .....			
13.1 Uncollected premiums and agents' balances in the course of collection .....			
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due .....			
13.3 Accrued retrospective premiums .....			
14. Reinsurance: .....			
14.1 Amounts recoverable from reinsurers .....			
14.2 Funds held by or deposited with reinsured companies .....			
14.3 Other amounts receivable under reinsurance contracts .....			
15. Amounts receivable relating to uninsured plans .....			
16.1 Current federal and foreign income tax recoverable and interest thereon .....			
16.2 Net deferred tax asset .....			
17. Guaranty funds receivable or on deposit .....			
18. Electronic data processing equipment and software .....	583,866	976,599	392,733
19. Furniture and equipment, including health care delivery assets .....	155,232	149,992	(5,240)
20. Net adjustment in assets and liabilities due to foreign exchange rates .....			
21. Receivable from parent, subsidiaries and affiliates .....			
22. Health care and other amounts receivable .....			
23. Aggregate write-ins for other than invested assets .....	381,978	442,019	60,041
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Line 10 to Line 23) .....	1,121,076	1,568,610	447,534
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			
26. Total (Line 24 and Line 25) .....	1,121,076	1,568,610	447,534
DETAILS OF WRITE-INS .....			
0901. ....			
0902. ....			
0903. ....			
0998. Summary of remaining write-ins for Line 9 from overflow page .....			
0999. Totals (Line 0901 through Line 0903 plus Line 0998) (Line 9 above) .....			
2301. Pre Paid Exp. ....	291,978	345,019	53,041
2302. Provider Advance .....	90,000	97,000	7,000
2303. ....			
2398. Summary of remaining write-ins for Line 23 from overflow page .....			
2399. Totals (Line 2301 through Line 2303 plus Line 2398) (Line 23 above) .....	381,978	442,019	60,041

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	Current Year Member Months
1. Health Maintenance Organizations .....	193,868	191,878	191,317	180,304	2,246,795	2,246,795
2. Provider Service Organizations .....						
3. Preferred Provider Organizations .....						
4. Point of Service .....						
5. Indemnity Only .....						
6. Aggregate write-ins for other lines of business .....						
7. Total .....	193,868	191,878	191,317	180,304	2,246,795	2,246,795
DETAILS OF WRITE-INS						
0601. ....						
0602. ....						
0603. ....						
0698. Summary of remaining write-ins for Line 6 from overflow page. ....						
0699. Totals (Line 0601 through Line 0603 plus Line 0698) (Line 6 above) .....						

EXHIBIT 2 - ACCIDENT AND HEALTH PREMIUMS DUE AND UNPAID

1	2	3	4	5	6	7
Name of Debtor	1 - 30 Days	31 - 60 Days	61 - 90 Days	Over 90 Days	Nonadmitted	Admitted

NONE

EXHIBIT 3 - HEALTH CARE RECEIVABLES

1	2	3	4	5	6	7
Name of Debtor	1 - 30 Days	31 - 60 Days	61 - 90 Days	Over 90 Days	Nonadmitted	Admitted

Other Receivables						
STATE OF TENNESSEE .....	4,766,529					4,766,529
0699999 - Other Receivables .....	4,766,529					4,766,529
0799999 - Gross Health Care Receivables .....	4,766,529					4,766,529

EXHIBIT 4 - CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)

Aging Analysis of Unpaid Claims

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 Days	6 Over 120 Days	7 Total
--------------	------------------	-------------------	-------------------	--------------------	--------------------	------------

NONE

EXHIBIT 5 - AMOUNTS DUE FROM PARENT, SUBSIDIARIES AND AFFILIATES

1  Name of Affiliate	2  1 - 30 Days	3  31 - 60 Days	4  61 - 90 Days	5  Over 90 Days	6  Nonadmitted	Admitted	
						7  Current	8  Non-Current
Individually listed receivables							
The Med .....	552,433					552,433	
UT Medical Group Inc. ....	11,500					11,500	
0199999 - Subtotal - Individually listed receivables .....	563,933					563,933	
0399999 - TOTAL gross amounts receivable .....	563,933					563,933	

EXHIBIT 6 - AMOUNTS DUE TO PARENT, SUBSIDIARIES AND AFFILIATES

1	2	3	4	5
Affiliate	Description	Amount	Current	Non-Current

NONE

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE MEMPHIS MANAGED CARE CORPORATION

EXHIBIT 7 - PART 1 - SUMMARY OF TRANSACTIONS WITH PROVIDERS

Payment Method	1  Direct Medical Expense Payment	2  Column 1 as a Percentage of Total	3  Total Members Covered	4  Column 3 as a Percentage of Total	5  Column 1 Expenses Paid to Affiliated Providers	6  Column 1 Expenses Paid to Non-Affiliated Providers
Capitation Payments:						
1. Medical groups .....			2,246,795	100.000		
2. Intermediaries .....						
3. All other providers .....						
4. Total capitation payments .....			2,246,795	100.000		
Other Payments:						
5. Fee-for-service .....			X X X	X X X		
6. Contractual fee payments .....			X X X	X X X		
7. Bonus/withhold arrangements - fee-for-service .....			X X X	X X X		
8. Bonus/withhold arrangements - contractual fee payments .....			X X X	X X X		
9. Non-contingent salaries .....			X X X	X X X		
10. Aggregate cost arrangements .....			X X X	X X X		
11. All other payments .....			X X X	X X X		
12. Total other payments .....			X X X	X X X		
13. Total (Line 4 plus Line 12) .....		100%	X X X	X X X		

EXHIBIT 7 - PART 2 - SUMMARY OF TRANSACTIONS WITH INTERMEDIARIES

1	2	3	4	5	6
NAIC Code	Name of Intermediary	Capitation Paid	Average Monthly Capitation	Intermediary's Total Adjusted Capital	Intermediary's Authorized Control Level RBC



ANNUAL STATEMENT FOR THE YEAR 2005 OF THE MEMPHIS MANAGED CARE CORPORATION

EXHIBIT 8 - FURNITURE, EQUIPMENT AND SUPPLIES OWNED

	1	2	3	4	5	6
Description	Cost	Improvements	Accumulated Depreciation	Book Value Less Encumbrances	Assets Not Admitted	Net Admitted Assets
1. Administrative furniture and equipment .....	858,581		858,581			
2. Medical furniture, equipment and fixtures .....						
3. Pharmaceuticals and surgical supplies .....						
4. Durable medical equipment .....						
5. Other property and equipment .....						
6. Total .....	858,581		858,581			

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE MEMPHIS MANAGED CARE CORPORATION

**NOTES TO FINANCIAL STATEMENTS**

---

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of Memphis Managed Care Corporation Have been prepared in accordance with the NAIC Accounting Practice and Procedure Manual except to the extent that state law Differs.

The company, at the direction of the Commissioner of Insurance of the State of Tennessee for the period January – December 2005, on report #2A records claims reimbursements and administrative reimbursements as premiums, instead of netting them against claims and general administrative expenses respectively as required by SAP

B. Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements in conformity with the Quarterly Statement Instructions and Accounting Practice and Procedures manual requires the use of management’s estimates.

- 1) Short-term investments are stated at amortized cost.
- 2) Bonds are stated at amortized cost using the effective interest method.
- 3) The company does not hold common stock.
- 4) The company does not hold preferred stock.
- 5) The company does not hold mortgage loans.
- 6) The company does not hold loan-backed securities.
- 7) The company does not hold investments in subsidiaries, controlled and affiliated companies.
- 8) The company does not have minor ownership interests in joint ventures.
- 9) The company does not carry derivatives.

2. Accounting Changes and Corrections of Errors

- A. Disclosure of material changes in accounting principles and or errors
- N/A

3. Business Combinations and Goodwill

- A. Statutory Purchase Method
- N/A
- B. Merger
- N/A
- C. Impairment Loss
- N/A

4. Discontinued Operations

N/A

5. Investments

- A. Mortgage Loans
- N/A
- B. Debt Restructuring

## NOTES TO FINANCIAL STATEMENTS

N/A

C. Reverse Mortgages

N/A

D. Loan Backed Securities

N/A

E. Repurchase Agreements

N/A

6. Joint Ventures, Partnerships and Limited Liability Companies

N/A

7. Investment Income

A. N/A

B. Total Amount excluded was \$0

8. Derivative Instruments

9. Income Tax

A. Components of net deferred income tax asset or liability

N/A

B. DTLs not recognized

N/A

C. Significant components of income taxes incurred

N/A

D. Significant reconciling items of income taxes incurred

N/A

E(1). Operating loss and tax credit carry forwards

N/A

E(2). Recoupment of Income taxes available in the event of future losses

N/A

F Consolidated federal Income tax return

N/A

10. Information Concerning Parent, Subsidiaries and Affiliates

A. The company is jointly owned by The Regional Medical Center (The Med) & University of Tennessee Medical Group (UTMG).

B. Description of transactions

N/A

C. Dollar amount of Transactions

N/A

D. At December 31, 2005 the company had \$552,433 due from The Med for MedCall & MRI services rendered and \$11,500 from UTMG for Medcall services.

E. Guarantees or undertakings for the benefit of an affiliate

NOTES TO FINANCIAL STATEMENTS

	N/A
F.	Description of any material management contracts with related parties
	N/A
G.	Ownership in the company is 50% The Med, 50% UTMG
H.	Amount deducted from the value of an upstream intermediate entity
	N/A
I.	Investment in SCA in excess of SCA entity
	N/A
J.	Investment in SCA entity
	N/A
11.	Debt
A.	Capital Notes
	N/A
B.	Other Debt
	N/A
12.	Retirement Plans, Deferred Compensation, Post employment Benefits and compensated Absences and other Postretirement Benefit Plans
B.	Defined Contribution Plan
	N/A
C.	Multiemployer Plans
	N/A
D.	Consolidated/Holdings Company Plans
	N/A
E.	Post employment Benefits and Compensated Absences
	N/A
13.	Capital and Surplus, Shareholders' Dividend Restrictions and Quasi Reorganizations.
	1) The company has
	2) The company has no preferred stock outstanding
	3) Dividend Restrictions – N/A
	4) Restrictions on unassigned Funds – None
	5) The State of Tennessee requires the company to hold statutory deposits in the amount of 3,200,000
	6) For mutuals, and similarly organized companies the total amount of advances to surplus not repaid. – N/A
	7) Total Amount of Stock Held by the company – N/A
	8) Changes in special surplus funds – N/A
	9) Portion of unassigned funds (surplus) represented or reduced by each of the following items:
	a. Unrealized gains and losses - N/A
	b. Nonadmitted assets 1,121,076
	c. Stock purchase warrants N/A
	10) Surplus Notes
	11) Impact of the restatement in quasi reorganization – N/A
	12) Effective Date of a quasi reorganization – N/A

NOTES TO FINANCIAL STATEMENTS

14. Contingencies

A. Contingent Commitments

N/A

B. Assessments

N/A

C. Gain Contingencies

N/A

D. All Other Contingencies

15. Leases

A. Disclosures related to lessee leasing arrangements

N/A

B. Disclosures related to lessor leasing arrangements

N/A

16. Off Balance Sheet risk

- 1) The company has no financial instruments with off balance sheet risk.
- 2) The company does not use swaps, futures or options.
- 3) The company has no financial instruments with off balance sheet risk, and no counter party exposure.
- 4) The company has on financial instruments subject to credit risk.

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

A. Transfer of Receivables reported as Sales

N/A

B. Transfer and Servicing of financial Assets

N/A

C. Wash Sales

N/A

18. Gain or Loss to the company from Uninsured A&H Plans and Uninsured Portion of Partially Insured Plans

A. ASO Plan

The Gain from Operations from ASO uninsured plans and uninsured portion of partially insured plans was as follows during 2005:

	(1)	(2)	(3)
	ASO Uninsured Plan	Uninsured Portion of Partially Insured Plans	Total ASO
a. Net reimbursement for Administrative Expenses (including Administrative Fees) In excess of Actual Expenses	\$6,023,241		\$6,023,241
b. Total Net Other Income or Expenses (Including Interest paid to or received from plans)	\$1,949,445		\$1,949,445

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE MEMPHIS MANAGED CARE CORPORATION

NOTES TO FINANCIAL STATEMENTS

c. Net Gain or Loss from Operations \$7,972,686 \$7,972,686

d. Total Claim Payment Volume \$338,234,027 \$338,234,027

B. ASC Plan

N/A

C. Medicare or Other Similarly structured cost based reimbursement Contact:

N/A

19. Direct Premium Written/Produced by managing general agents/third Party Administrators

N/A

20. Other Items

A. Extraordinary Items

N/A

B. Troubled Debt Restructuring

N/A

C. Other Disclosures

None

21. Events Subsequent

N/A

22. Reinsurance

N/A

23. Retrospectively Rated Contracts

N/A

24. Organization and Operations

Memphis Managed Care Corporation was incorporated as a non-profit organization in 1993. The board of directors has equal representation from both The med and UTMG (owners).

25. Salvage and Subrogation

N/A

26. Change in Incurred Claims and Claim Adjustment Expense

27. Minimum Net Worth

The company must maintain the larger of the minimum net worth of \$1,500,000 or 4% of the first \$150,000,000 in premium and 1.5% in excess of that amount, as reported on the most recent Quarterly Statement filed with the Tennessee Department of Commerce and Insurance.

	Net Premium Revenue		Calculated Requirement
Up To 150,000,000	150,000,000.00	4%	6,000,000.00
>150,000,000	210,245,521.00	1.5%	3,153,683.00
Total	360,245,521.00		9,153,683.00

SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
	1 Amount	2 Percentage	3 Amount	4 Percentage
1. Bonds:				
1.1 U.S. treasury securities .....	17,364,710	74.348	17,364,710	74.348
1.2 U.S. government agency obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies .....				
1.22 Issued by U.S. government sponsored agencies .....				
1.3 Foreign government (including Canada, excluding mortgage-backed securities) .....				
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations .....				
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations .....				
1.43 Revenue and assessment obligations .....				
1.44 Industrial development and similar obligations .....				
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Issued or guaranteed by GNMA .....				
1.512 Issued or guaranteed by FNMA and FHLMC .....				
1.513 All other .....				
1.52 CMOs and REMICs:				
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA .....				
1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521 .....				
1.523 All other .....				
2. Other debt and other fixed income securities (excluding short term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO) .....				
2.2 Unaffiliated foreign securities .....				
2.3 Affiliated securities .....				
3. Equity interests:				
3.1 Investments in mutual funds .....				
3.2 Preferred stocks:				
3.21 Affiliated .....				
3.22 Unaffiliated .....				
3.3 Publically traded equity securities (excluding preferred stocks):				
3.31 Affiliated .....				
3.32 Unaffiliated .....				
3.4 Other equity securities:				
3.41 Affiliated .....				
3.42 Unaffiliated .....				
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated .....				
3.52 Unaffiliated .....				
4. Mortgage loans:				
4.1 Construction and land development .....				
4.2 Agricultural .....				
4.3 Single family residential properties .....				
4.4 Multifamily residential properties .....				
4.5 Commercial loans .....				
4.6 Mezzanine real estate loans .....				
5. Real estate investments:				
5.1 Property occupied by company .....				
5.2 Property held for production of income (including \$ ..... of property acquired in satisfaction of debt) .....				
5.3 Property held for sale (including \$ ..... property acquired in satisfaction of debt) .....				
6. Contract loans .....				
7. Receivables for securities .....				
8. Cash, cash equivalents and short-term investments .....	5,991,256	25.652	5,991,256	25.652
9. Other invested assets .....				
10. Total invested assets .....	23,355,966	100.000	23,355,966	100.000

GENERAL INTERROGATORIES  
PART 1 - COMMON INTERROGATORIES  
GENERAL

- 1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?

Yes ( ) No (X)
- 1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes ( ) No ( ) N/A (X)
- 1.3

State Regulating?

.....
- 2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes ( ) No (X)
- 2.2

If yes, date of change:  
If not previously filed, furnish herewith a certified copy of the instrument as amended.

.....
- 3.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

03/31/2001
- 3.2

State the as of date of the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

10/31/2002
- 3.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

10/31/2002
- 3.4

By what department or departments?

.....
- 4.1

During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.11

sales of new business?

Yes ( ) No (X)

4.12

renewals?

Yes ( ) No (X)
- 4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.21

sales of new business?

Yes ( ) No (X)

4.22

renewals?

Yes ( ) No (X)
- 5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes ( ) No (X)
- 5.2

If yes, provide name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile
.....	.....	.....
.....	.....	.....
.....	.....	.....

- 6.1

Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.)

Yes ( ) No (X)
- 6.2

If yes, give full information:

.....

.....
- 7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes ( ) No (X)
- 7.2

If yes,

7.21

State the percentage of foreign control;

.....%

7.22

State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g. individual, corporation, government, manager or attorney-in-fact).

1 Nationality	2 Type of Entity
.....	.....
.....	.....
.....	.....



GENERAL INTERROGATORIES

- 8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes ( ) No (X)
- 8.2

If response to 8.1 is yes, please identify the name of the bank holding company.  
.....  
.....
- 8.3

Is the company affiliated with one or more banks, thrifts or securities firms?

Yes ( ) No (X)
- 8.4

If response to 8.3 is yes, please provide the names and location (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC
.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....

9.

What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
Watkins & Uberall  
.....
10.

What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with a(n) actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?  
.....  
.....
- 11.1

Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes ( ) No (X)
- 11.11

Name of real estate holding company  
.....  
.....
- 11.12

Number of parcels involved

.....
- 11.13

Total book/adjusted carrying value

\$.....
- 11.2

If yes, provide explanation  
.....  
.....
12.

FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 12.1

What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?  
.....  
.....
- 12.2

Does this statement contain all business transacted for the reporting entity through its United States branch on risks wherever located?

Yes (X) No ( )
- 12.3

Have there been any changes made to any of the trust indentures during the year?

Yes ( ) No (X)
- 12.4

If answer to (12.3) is yes, has the domiciliary or entry state approved the changes?

Yes ( ) No ( ) N/A (X)

BOARD OF DIRECTORS

13.

Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof?

Yes (X) No ( )
14.

Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof?

Yes (X) No ( )
15.

Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees, or responsible employees that is in conflict or is likely to conflict with the official duties of such person?

Yes ( ) No (X)

FINANCIAL

- 16.1

Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

16.11

To directors or other officers

\$.....

16.12

To stockholders not officers

\$.....

16.13

Trustees, supreme or grand (Fraternal only)

\$.....
- 16.2

Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):

16.21

To directors or other officers

\$.....

16.22

To stockholders not officers

\$.....

16.23

Trustees, supreme or grand (Fraternal only)

\$.....
- 17.1

Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?

Yes ( ) No (X)
- 17.2

If yes, state the amount thereof at December 31 of the current year:

17.21

Rented from others

\$.....

17.22

Borrowed from others

\$.....

17.23

Leased from others

\$.....

17.24

Other

\$.....

Disclose in Notes to Financial Statements the nature of each obligation.
- 18.1

Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?

Yes ( ) No (X)
- 18.2

If answer is yes:

18.21

Amount paid as losses or risk adjustment

\$.....

18.22

Amount paid as expenses

\$.....

18.23

Other amounts paid

\$.....
- 19.1

Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes ( ) No (X)
- 19.2

If yes, indicate any amounts receivable from parent included in the Page 2 amount:

\$ ..... 599,554

GENERAL INTERROGATORIES

INVESTMENT

20.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date, except as shown by Schedule E - Part 3 - Special Deposits? Yes ( ) No ( )

20.2 If no, give full and complete information relating thereto:

21.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, except as shown on the Schedule E - Part 3 - Special Deposits, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 17.1) Yes ( ) No ( )

21.2 If yes, state the amount thereof at December 31 of the current year:

21.21	Loaned to others	\$	.....
21.22	Subject to repurchase agreements	\$	.....
21.23	Subject to reverse repurchase agreements	\$	.....
21.24	Subject to dollar repurchase agreements	\$	.....
21.25	Subject to reverse dollar repurchase agreements	\$	.....
21.26	Pledged as collateral	\$	.....
21.27	Placed under option agreements	\$	.....
21.28	Letter stock or securities restricted as to sale	\$	.....
21.29	Other	\$	.....

21.3 For category (22.28) provide the following:

1 Nature of Restriction	2 Description	3 Amount
.....	.....	.....
.....	.....	.....
.....	.....	.....

22.1 Does the reporting entity have any hedging transactions re NONE Yes ( ) No ( )

22.2 If yes, has a comprehensive description of the hedging prc If no, attach a description with this statement. NONE Yes ( ) No ( ) N/A ( )

23.1 Were any preferred stocks or bonds owned as of Decembe into equity? NONE title Yes ( ) No ( )

23.2 If yes, state the amount thereof at December 31 of the cur \$ .....

GENERAL INTERROGATORIES

INVESTMENT

24. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1-General, Section IV.H-Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes ( ) No ( )

24.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

<div>1</div> <div>Name of Custodian(s)</div>	<div>2</div> <div>Custodian's Address</div>

24.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

<div>1</div> <div>Name(s)</div>	<div>2</div> <div>Location(s)</div>	<div>3</div> <div>Complete Explanation(s)</div>

24.03 Have there been any changes, including name changes, in the custodian(s) identified in 24.01 during the current year? Yes ( ) No ( )

24.04 If yes, give full and complete information relating thereto:

<div>1</div> <div>Old Custodian</div>	<div>2</div> <div>New Custodian</div>	<div>3</div> <div>Date of Change</div>	<div>4</div> <div>Explanation</div>

NONE

24.05 Identify all investment advisors, brokers/dealers or individuals acting on behalf of the reporting entity: have authority to make investments

<div>1</div> <div>Central Registration Depository Number(s)</div>	<div>2</div> <div>Name</div>	<div>3</div> <div>Address</div>

25.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])? Yes ( ) No ( )

25.2 If yes, complete the following schedule:

<div>1</div> <div>CUSIP#</div>	<div>2</div> <div>Name of Mutual Fund</div>	<div>3</div> <div>Book/Adjusted Carrying Value</div>
Line 25.2998 from Overflow page		
Line 25.2999 TOTAL (99999999)		

25.3 For each mutual fund listed in the table above, complete the following schedule:

<div>1</div> <div>Name of Mutual Fund (from above table)</div>	<div>2</div> <div>Name of Significant Holding of the Mutual Fund</div>	<div>3</div> <div>Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding</div>	<div>4</div> <div>Date of Valuation</div>

GENERAL INTERROGATORIES

26. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value of statement value for fair value.

	1	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
26.1 Bonds .....	\$ .....	\$ .....	\$ .....
26.2 Preferred stocks .....	\$ .....	\$ .....	\$ .....
26.3 Totals .....	\$ .....	\$ .....	\$ .....

26.4 Describe the sources or methods utilized in determining the fair values:  
.....  
.....

27.1 Have all the filing requirements of the Purposes and Procedures manual of the NAIC Securities Valuation Office been followed? Yes ( ) No (X)

27.2 If no, list exceptions:  
.....  
.....

OTHER

28.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$ .....

28.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
.....	\$ .....
.....	\$ .....
.....	\$ .....
.....	\$ .....

29.1 Amount of payments for legal expenses, if any? \$ .....

29.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
.....	\$ .....
.....	\$ .....
.....	\$ .....
.....	\$ .....

30.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$ .....

30.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies officers or department of government during the period covered by this statement.

1 Name	2 Amount Paid
.....	\$ .....
.....	\$ .....
.....	\$ .....
.....	\$ .....

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

1.1

Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes ( ) No (X)

1.2

If yes, indicate premium earned on U.S. business only.

\$ .....

1.3

What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

\$ .....

1.31

Reason for excluding:

.....  
.....

1.4

Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above

\$ .....

1.5

Indicate total incurred claims on all Medicare Supplement insurance.

\$ .....

1.6

Individual policies:

Most current three years:

1.61

Total premium earned

\$ .....

1.62

Total incurred claims

\$ .....

1.63

Number of covered lives

.....

All years prior to most current three years:

1.64

Total premium earned

\$ .....

1.65

Total incurred claims

\$ .....

1.66

Number of covered lives

.....

1.7

Group policies:

Most current three years:

1.71

Total premium earned

\$ .....

1.72

Total incurred claims

\$ .....

1.73

Number of covered lives

.....

All years prior to most current three years:

1.74

Total premium earned

\$ .....

1.75

Total incurred claims

\$ .....

1.76

Number of covered lives

.....

2.

Health Test:

2.1

Premium Numerator

\$ .....

2.2

Premium Denominator

\$ .....

2.3

Premium Ratio (2.1 / 2.2)

.....

2.4

Reserve Numerator

\$ .....

2.5

Reserve Denominator

\$ .....

2.6

Reserve Ratio (2.4 / 2.5)

.....

3.1

Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?

Yes ( ) No (X)

3.2

If yes, give particulars:

.....  
.....

4.1

Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency?

Yes ( ) No (X)

4.2

If not previously filed furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?

Yes ( ) No (X)

5.1

Does the reporting entity have stop-loss reinsurance?

Yes (X) No ( )

5.2

If no, explain:

.....  
.....

5.3

Maximun retained risk (see instructions)

5.31

Comprehensive Medical

\$ .....

5.32

Medical Only

\$ .....

5.33

Medicare Supplement

\$ .....

5.34

Dental

\$ .....

5.35

Other Limited Benefit Plan

\$ .....

5.36

Other

\$ .....

6.

Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:

.....  
.....

7.1

Does the reporting entity set up its claim liability for provider services on a service date basis?

Yes (X) No ( )

7.2

If no, give details:

.....  
.....

8.

Provide the following information regarding participating providers:

8.1

Number of providers at start of reporting year

.....

8.2

Number of providers at end of reporting year

.....

9.1

Does the reporting entity have business subject to premium rate guarantees?

Yes ( ) No (X)

9.2

If yes, direct premium earned:

9.21

Business with rate guarantees between 15-36 months

\$ .....

9.22

Business with rate guarantees over 36 months

\$ .....

28

GENERAL INTERROGATORIES (Continued)

PART 2 - HEALTH INTERROGATORIES

- 10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts?

Yes ( ) No (X)
- 10.2 If yes:

10.21 Maximum amount payable bonuses\$ .....

10.22 Amount actually paid for year bonuses\$ .....

10.23 Maximum amount payable withholds\$ .....

10.24 Amount actually paid for year withholds\$ .....
- 11.1 Is the reporting entity organized as:

11.12 A Medical Group / Staff Model, Yes ( ) No (X)

11.13 An Individual Practice Association (IPA) , or Yes ( ) No (X)

11.14 A Mixed Model (combination of above)? Yes ( ) No (X)
- 11.2 Is the reporting entity subject to Minimum Net Worth Requirements?

Yes (X) No ( )
- 11.3 If yes, show the name of the state requiring such net worth.

..... Tennessee
- 11.4 If yes, show the amount required.

\$ ..... 9,600,000
- 11.5 Is this amount included as part of a contingency reserve in stockholder's equity?

Yes ( ) No (X)
- 11.6 If the amount is calculated, show the calculation

.....

.....

12. List service areas in which reporting entity is licensed to operate:

1
Name of Service Area
SHELBY
NORTHWEST TENNESSEE
SOUTHWEST TENNESSEE

FIVE - YEAR HISTORICAL DATA

	1	2	3	4	5
	2005	2004	2003	2002	2001
BALANCE SHEET (Page 2 and Page 3)					
1. Total admitted assets (Page 2, Line 26)	28,851,568	26,142,734	14,504,707	13,685,008	56,372,281
2. Total liabilities (Page 3, Line 22)	2,313,261	5,023,796	1,487,029	8,546,983	42,733,701
3. Statutory surplus					
4. Total capital and surplus (Page 3, Line 31)	26,538,308	21,118,938	13,017,478	5,138,028	13,638,584
INCOME STATEMENT (Page 4)					
5. Total revenues (Line 8)			1,100,424	116,527,239	227,896,501
6. Total medical and hospital expenses (Line 18)			(3,217,356)	115,826,367	202,788,761
7. Claims adjustment expenses (Line 20)	2,688,754	3,083,974			
8. Total administrative expenses (Line 21)	(8,711,995)	(10,408,590)	(12,135,658)	3,344,259	18,507,972
9. Net underwriting gain (loss) (Line 24)	6,023,241	7,324,616	13,476,694	(3,225,638)	9,078,006
10. Net investment gain (loss) (Line 27)	864,208	247,606	105,122	1,108,039	1,496,619
11. Total other income (Line 28 plus Line 29)	1,085,237	783,223		456,078	180,526
12. Net income or (loss) (Line 32)	7,972,686	8,355,445	13,581,816	(1,661,521)	10,755,151
RISK-BASED CAPITAL ANALYSIS					
13. Total adjusted capital		21,118,938	13,017,478	5,138,028	13,638,584
14. Authorized control level risk-based capital		16,261,582	10,023,458	3,956,281	10,501,710
ENROLLMENT (Exhibit 1)					
15. Total members at end of period (Column 5, Line 7)	2,246,795	193,868	194,981	191,307	172,182
16. Total members months (Column 6, Line 7)	2,246,795	2,314,367	2,314,367	1,522,075	918,088
OPERATING PERCENTAGE (Page 4) (Item divided by Page 4, sum of Line 2, Line 3, and Line 5) X 100.0					
17. Premiums earned plus risk revenue (Line 2 plus Line 3 plus Line 5)	100.0	100.0	100.0	100.0	100.0
18. Total hospital and medical plus other non-health (Line 18 plus Line 19)				99.4	100.0
19. Cost containment expenses			X X X	X X X	X X X
20. Other claims adjustment expenses					
21. Total underwriting deductions (Line 23)				102.8	0.9
22. Total underwriting gain (loss) (Line 24)				(2.8)	1.0
UNPAID CLAIMS ANALYSIS (U and I Exhibit, Part 2B)					
23. Total claims incurred for prior years (Line 13, Column 5)			(103,720)	45,065,170	13,821,920
24. Estimated liability of unpaid claims of prior year (Line 13, Column 6)			3,113,636	40,457,145	13,821,920
INVESTMENTS IN PARENT, SUBSIDIARIES, AND AFFILIATES					
25. Affiliated bonds (Schedule D Summary, Line 25, Column 1)					
26. Affiliated preferred stocks (Schedule D Summary, Line 39, Column 1)					
27. Affiliated common stocks (Schedule D Summary, Line 53, Column 2)					
28. Affiliated short-term investments (subtotal included in Schedule DA, Part 2, Column 5, Line 11)					
29. Affiliated mortgage loans on real estate					
30. All other affiliated					
31. Total of above Line 25 to Line 30					



ANNUAL STATEMENT FOR THE YEAR 2005 OF THE MEMPHIS MANAGED CARE CORPORATION

**EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION**

REPORT FOR: 1. CORPORATION MEMPHIS MANAGED CARE INC.

2. 1407 UNION AVE, SUITE 200, MEMPHIS TN. 38104

NAIC Group Code: 0000

(LOCATION)

NAIC Company Code: 00000

BUSINESS IN THE STATE OF TENNESSEE DURING THE YEAR 2005

	1	Comprehensive (Hospital and Medical)		4	5	6	7	8	9	10	11	12	13
	Total	2 Individual	3 Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other
Total Members at end of:													
1. Prior Year .....	193,868								193,868				
2. First Quarter .....	191,878								191,878				
3. Second Quarter .....	191,317								191,317				
4. Third Quarter .....	180,358								180,358				
5. Current Year .....	182,358								182,358				
6. Current Year Member Months .....	2,246,795								2,246,795				
Total Member Ambulatory Encounters for Year:													
7. Physician .....	795,467								795,467				
8. Non-Physician .....	34,025								34,025				
9. Total .....	829,492								829,492				
10. Hospital Patient Days Incurred .....	94,331								94,331				
11. Number of Inpatient Admissions .....	25,203								25,203				
12. Health Premiums Written .....													
13. Life Premiums Direct .....													
14. Property/Casualty Premiums Written .....													
15. Health Premiums Earned .....													
16. Property/Casualty Premiums Earned .....													
17. Amount Paid for Provision of Health Care Services .....													
18. Amount Incurred for Provision of Health Care Services .....													

(a) For health business: number of persons insured under PPO managed care products ..... and number of persons insured under indemnity only products .....





ANNUAL STATEMENT FOR THE YEAR 2005 OF THE MEMPHIS MANAGED CARE CORPORATION

**EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION**

REPORT FOR: 1. CORPORATION    MEMPHIS MANAGED CARE INC.

2.    1407 UNION AVE, SUITE 200, MEMPHIS, TN 38104

NAIC Group Code: 0000

(LOCATION)

NAIC Company Code: 00000

BUSINESS IN THE STATE OF GRAND TOTAL    DURING THE YEAR 2005

	1	Comprehensive (Hospital and Medical)		4	5	6	7	8	9	10	11	12	13
	Total	2 Individual	3 Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other
Total Members at end of:													
1.    Prior Year .....	193,868								193,868				
2.    First Quarter .....	19,878								19,878				
3.    Second Quarter .....	191,317								191,317				
4.    Third Quarter .....	180,358								180,358				
5.    Current Year .....	2,246,795								2,246,795				
6.    Current Year Member Months .....	2,246,795								2,246,795				
Total Member Ambulatory Encounters for Year:													
7.    Physician .....	795,467								795,467				
8.    Non-Physician .....	34,025								34,025				
9.    Total .....	829,492								829,492				
10. Hospital Patient Days Incurred .....	94,331								94,331				
11. Number of Inpatient Admissions .....	25,203								25,203				
12. Health Premiums Written .....													
13. Life Premiums Direct .....													
14. Property/Casualty Premiums Written .....													
15. Health Premiums Earned .....													
16. Property/Casualty Premiums Earned .....													
17. Amount Paid for Provision of Health Care Services .....													
18. Amount Incurred for Provision of Health Care Services .....													

(a) For health business: number of persons insured under PPO managed care products .....and number of persons insured under indemnity only products .....

SCHEDULE A - VERIFICATION BETWEEN YEARS  
Real Estate

1.	Book/adjusted carrying value, December 31, prior year		
2.	Increase (decrease) by adjustment:		
2.1	Totals, Part 1, Column 11		
2.2	Totals, Part 3, Column 7		
3.	Cost of acquired, (Totals, Part 2, Column 6, net of encumbrances (Column 7) and net of additions and permanent improvements (Column 9))		
4.	Cost of additions and permanent improvements:		
4.1	Totals, Part 1, Column 14		
4.2	Totals, Part 3, Column 9		
5.	Total profit (loss) on sales, Part 3, Column 14		
6.	Increase (decrease) by foreign exchange adjustm		
6.1	Totals, Part 1, Column 12		
6.2	Totals, Part 3, Column 8		
7.	Amounts received on sales, Part 3, Column 11 and Part 1, Column 13		
8.	Book/adjusted carrying value at end of current period		
9.	Total valuation allowance		
10.	Subtotal (Line 8 plus Line 9)		
11.	Total nonadmitted amounts		
12.	Statement value, current period (Page 2, real estate lines, Net Admitted Assets column)		

NONE

SCHEDULE B - VERIFICATION BETWEEN YEARS  
Mortgage Loans

1.	Book value/recorded investment excluding accrued interest on mortgages owned, December 31 of prior year		
2.	Amount loaned during year:		
2.1	Actual cost at time of acquisitions		
2.2	Additional investment made after acquisitions		
3.	Accrual of discount and mortgage interest points a		
4.	Increase (decrease) by adjustment		
5.	Total profit (loss) on sale		
6.	Amounts paid on account or in full during the year		
7.	Amortization of premium		
8.	Increase (decrease) by foreign exchange adjustment		
9.	Book value/recorded investment excluding accrued interest on mortgages owned at end of current period		
10.	Total valuation allowance		
11.	Subtotal (Line 9 plus Line 10)		
12.	Total nonadmitted amounts		
13.	Statement value of mortgages owned at end of current period (Page 2, mortgage lines, Net Admitted Assets column)		

NONE

SCHEDULE BA - VERIFICATION BETWEEN YEARS  
Long-Term Invested Assets

1.	Book/adjusted carrying value of long-term invested assets owned, December 31 of prior year		
2.	Cost of acquisitions during year:		
2.1	Actual cost at time of acquisitions		
2.2	Additional investment made after acquisitions		
3.	Accrual of discount		
4.	Increase (decrease) by adjustment		
5.	Total profit (loss) on sale		
6.	Amounts paid on account or in full during the year		
7.	Amortization of premium		
8.	Increase (decrease) by foreign exchange adjustment		
9.	Book/adjusted carrying value of long-term invested assets at end of current period		
10.	Total valuation allowance		
11.	Subtotal (Line 9 plus Line 10)		
12.	Total nonadmitted amounts		
13.	Statement value of long-term invested assets at end of current period (Page 2, Line 7, Column 3)		

NONE

SCHEDULE D - SUMMARY BY COUNTRY

Long-Term Bonds and Stocks OWNED December 31 of Current Year

Description		1	2	3	4
		Book/Adjusted Carrying Value	Fair Value	Actual Cost	Par Value of Bonds
BONDS Governments (Including all obligations guaranteed by governments)	1. United States .....	15,126,935	14,960,646	15,102,581	15,165,993
	2. Canada .....				
	3. Other Countries .....				
	4. Totals .....	15,126,935	14,960,646	15,102,581	15,165,993
States, Territories and Possessions (Direct and guaranteed)	5. United States .....				
	6. Canada .....				
	7. Other Countries .....				
	8. Totals .....				
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9. United States .....				
	10. Canada .....				
	11. Other Countries .....				
	12. Totals .....				
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	13. United States .....				
	14. Canada .....				
	15. Other Countries .....				
	16. Totals .....				
Public Utilities (unaffiliated)	17. United States .....				
	18. Canada .....				
	19. Other Countries .....				
	20. Totals .....				
Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated)	21. United States .....	2,237,776	2,243,453	2,255,732	2,225,000
	22. Canada .....				
	23. Other Countries .....				
	24. Totals .....	2,237,776	2,243,453	2,255,732	2,225,000
Parent, Subsidiaries and Affiliates	25. Totals .....				
	26. Total Bonds .....	17,364,711	17,204,099	17,358,313	17,390,993
PREFERRED STOCKS					
Public Utilities (unaffiliated)	27. United States .....				
	28. Canada .....				
	29. Other Countries .....				
	30. Totals .....				
Banks, Trust and Insurance Companies (unaffiliated)	31. United States .....				
	32. Canada .....				
	33. Other Countries .....				
	34. Totals .....				
Industrial and Miscellaneous (unaffiliated)	35. United States .....				
	36. Canada .....				
	37. Other Countries .....				
	38. Totals .....				
Parent, Subsidiaries and Affiliates	39. Totals .....				
	40. Total Preferred Stocks .....				
COMMON STOCKS					
Public Utilities (unaffiliated)	41. United States .....				
	42. Canada .....				
	43. Other Countries .....				
	44. Totals .....				
Banks, Trust and Insurance Companies (unaffiliated)	45. United States .....				
	46. Canada .....				
	47. Other Countries .....				
	48. Totals .....				
Industrial and Miscellaneous (unaffiliated)	49. United States .....				
	50. Canada .....				
	51. Other Countries .....				
	52. Totals .....				
Parent, Subsidiaries and Affiliates	53. Totals .....				
	54. Total Common Stocks .....				
	55. Total Stocks .....				
	56. Total Bonds and Stocks .....	17,364,711	17,204,099	17,358,313	

SCHEDULE D - VERIFICATION BETWEEN YEARS  
Bonds and Stocks

1. Book/adjusted carrying value of bonds and stocks, prior year .....	3,203,495	7. Amortization of premium .....	11,393
2. Cost of bonds and stocks acquired, Column 7, Part 3 .....	18,631,125	8. Foreign Exchange Adjustment:	
3. Accrual of discount .....		8.1 Column 15, Part 1 .....	
4. Increase (decreased) by adjustment:		8.2 Column 19, Part 2, Section 1 .....	
4.1 Column 12 minus Column 14, Part 1 .....		8.3 Column 16, Part 2, Section 2 .....	
4.2 Column 15 minus Column 17, Part 2, Section 1 .....		8.4 Column 15, Part 4 .....	
4.3 Column 15, Part 2, Section 2 .....		9. Book/adjusted carrying value at end of current period .....	17,364,711
4.4 Column 11 minus Column 13, Part 4 .....		10. Total valuation allowance .....	
5. Total gain (loss), Column 19, Part 4 .....		11. Subtotal (Line 9 plus Line 10) .....	17,364,711
6. Deduct consideration for bonds and stocks disposed of Column 7, Part 4 .....	4,458,516	12. Total nonadmitted amounts .....	
		13. Statement value of bonds and stocks, current period .....	17,364,711

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE MEMPHIS MANAGED CARE CORPORATION

SCHEDULE D - PART 1A - SECTION 1

Quality and Maturity Distribution of All Bonds Owned December 31 , at Book /Adjusted Carrying Values by Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total from Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
1. U.S. Governments, Schedules D and DA (Group 1)											
1.1 Class 1	495,867	9,463,429				9,959,296	57.4	3,203,495	100.0	9,959,296	
1.2 Class 2											
1.3 Class 3											
1.4 Class 4											
1.5 Class 5											
1.6 Class 6											
1.7 Totals	495,867	9,463,429				9,959,296	57.4	3,203,495	100.0	9,959,296	
2. All Other Governments, Schedules D and DA (Group 2)											
2.1 Class 1	3,008,819	2,158,820				5,167,639	29.8			5,167,639	
2.2 Class 2											
2.3 Class 3											
2.4 Class 4											
2.5 Class 5											
2.6 Class 6											
2.7 Totals	3,008,819	2,158,820				5,167,639	29.8			5,167,639	
3. States, Territories and Possessions etc., Guaranteed, Schedules D and DA (Group 3)											
3.1 Class 1											
3.2 Class 2											
3.3 Class 3											
3.4 Class 4											
3.5 Class 5											
3.6 Class 6											
3.7 Totals											
4. Political Subdivisions of States, Territories and Possessions, Guaranteed, Schedules D and DA (Group 4)											
4.1 Class 1											
4.2 Class 2											
4.3 Class 3											
4.4 Class 4											
4.5 Class 5											
4.6 Class 6											
4.7 Totals											
5. Special Revenue and Special Assessment Obligations etc., Non-Guaranteed, Schedules D and DA (Group 5)											
5.1 Class 1											
5.2 Class 2											
5.3 Class 3											
5.4 Class 4											
5.5 Class 5											
5.6 Class 6											
5.7 Totals											

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE MEMPHIS MANAGED CARE CORPORATION

SCHEDULE D - PART 1A - SECTION 1 (continued)

Quality and Maturity Distribution of All Bonds Owned December 31 , at Book /Adjusted Carrying Values by Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total from Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
6. Public Utilities (Unaffiliated) , Schedules D and DA (Group 6)											
6.1 Class 1 .....											
6.2 Class 2 .....											
6.3 Class 3 .....											
6.4 Class 4 .....											
6.5 Class 5 .....											
6.6 Class 6 .....											
6.7 Totals .....											
7. Industrial and Miscellaneous (Unaffiliated) , Schedules D and DA (Group 7)											
7.1 Class 1 .....	425,076	1,812,700				2,237,776	12.9			2,237,776	
7.2 Class 2 .....											
7.3 Class 3 .....											
7.4 Class 4 .....											
7.5 Class 5 .....											
7.6 Class 6 .....											
7.7 Totals .....	425,076	1,812,700				2,237,776	12.9			2,237,776	
8. Credit Tenant Loans, Schedules D and DA (Group 8)											
8.1 Class 1 .....											
8.2 Class 2 .....											
8.3 Class 3 .....											
8.4 Class 4 .....											
8.5 Class 5 .....											
8.6 Class 6 .....											
8.7 Totals .....											
9. Parent, Subsidiaries and Affiliates , Schedules D and DA (Group 9)											
9.1 Class 1 .....											
9.2 Class 2 .....											
9.3 Class 3 .....											
9.4 Class 4 .....											
9.5 Class 5 .....											
9.6 Class 6 .....											
9.7 Totals .....											

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE MEMPHIS MANAGED CARE CORPORATION

SCHEDULE D - PART 1A - SECTION 1 (continued)

Quality and Maturity Distribution of All Bonds Owned December 31 , at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total from Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
10. Total Bonds Current Year											
10.1 Class 1	3,929,762	13,434,949				17,364,711	100.0	XXX	XXX	17,364,711	
10.2 Class 2								XXX	XXX		
10.3 Class 3								XXX	XXX		
10.4 Class 4								XXX	XXX		
10.5 Class 5						(c)		XXX	XXX		
10.6 Class 6						(c)		XXX	XXX		
10.7 Totals	3,929,762	13,434,949				(b) 17,364,711	100.0	XXX	XXX	17,364,711	
10.8 Line 10.7 as a % of Column 6	22.6	77.4				100.0	XXX	XXX	XXX	100.0	
11. Total Bonds Prior Year											
11.1 Class 1	2,459,894	743,601				XXX	XXX	3,203,495	100.0	3,203,495	
11.2 Class 2						XXX	XXX				
11.3 Class 3						XXX	XXX				
11.4 Class 4						XXX	XXX				
11.5 Class 5						XXX	XXX	(c)			
11.6 Class 6						XXX	XXX	(c)			
11.7 Totals	2,459,894	743,601				XXX	XXX	(b) 3,203,495	100.0	3,203,495	
11.8 Line 11.7 as a % of Column 8	76.8	23.2				XXX	XXX	100.0	XXX	100.0	
12. Total Publicly Traded Bonds											
12.1 Class 1	3,929,762	13,434,949				17,364,711	100.0	3,203,495	100.0	17,364,711	XXX
12.2 Class 2											XXX
12.3 Class 3											XXX
12.4 Class 4											XXX
12.5 Class 5											XXX
12.6 Class 6											XXX
12.7 Totals	3,929,762	13,434,949				17,364,711	100.0	3,203,495	100.0	17,364,711	XXX
12.8 Line 12.7 as a % of Column 6	22.6	77.4				100.0	XXX	XXX	XXX	100.0	XXX
12.9 Line 12.7 as a % of Line 10.7, Column 6, Section 10	22.6	77.4				100.0	XXX	XXX	XXX	100.0	XXX
13. Total Privately Placed Bonds											
13.1 Class 1										XXX	
13.2 Class 2										XXX	
13.3 Class 3										XXX	
13.4 Class 4										XXX	
13.5 Class 5										XXX	
13.6 Class 6										XXX	
13.7 Totals										XXX	
13.8 Line 13.7 as a % of Column 6							XXX	XXX	XXX	XXX	
13.9 Line 13.7 as a % of Line 10.7, Column 6, Section 10							XXX	XXX	XXX	XXX	

(a) Includes \$ .....freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.  
(b) Includes \$ .....current year, \$ .....prior year of bonds with Z designations and \$ .....current year, \$ .....prior year of bonds with Z\* designations. The letter "Z" means the NAIC designation was not assigned by the Securities Valuation Office (SVO) at the date of the statement. "Z\*" means the SVO could not evaluate the obligation because valuation procedures for the security class is under regulatory review.  
(c) Includes \$ .....current year, \$ .....prior year of bonds with 5\* designations and \$ .....current year, \$ .....prior year of bonds with 6\* designations. "5\*" means the NAIC designation was assigned by the SVO in reliance on the insurer's certification that the issuer is current in all principal and interest payments. "6\*" means the NAIC designation was assigned by the SVO due to inadequate certification of principal and interest payments.

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE MEMPHIS MANAGED CARE CORPORATION

SCHEDULE D - PART 1A - SECTION 2

Maturity Distribution of All Bonds Owned December 31 , At Book/Adjusted Carrying Values by Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
1. U.S. Governments, Schedules D and DA (Group 1)											
1.1 Issuer Obligations	495,867	9,463,429				9,959,296	57.4	3,203,494	100.0	9,959,296	
1.2 Single Class Mortgage-Backed/Asset-Backed Securities											
1.7 Totals	495,867	9,463,429				9,959,296	57.4	3,203,494	100.0	9,959,296	
2. All Other Governments, Schedules D and DA (Group 2)											
2.1 Issuer Obligations	3,008,819	2,158,820				5,167,639	29.8			5,167,639	
2.2 Single Class Mortgage-Backed/Asset-Backed Securities											
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
2.3 Defined											
2.4 Other											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
2.5 Defined											
2.6 Other											
2.7 Totals	3,008,819	2,158,820				5,167,639	29.8			5,167,639	
3. States, Territories and Possessions, Guaranteed, Schedules D and DA (Group 3)											
3.1 Issuer Obligations											
3.2 Single Class Mortgage-Backed/Asset-Backed Securities											
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
3.3 Defined											
3.4 Other											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
3.5 Defined											
3.6 Other											
3.7 Totals											
4. Political Subdivisions of States, Territories and Possessions, Guaranteed, Schedules D and DA (Group 4)											
4.1 Issuer Obligations											
4.2 Single Class Mortgage-Backed/Asset-Backed Securities											
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
4.3 Defined											
4.4 Other											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
4.5 Defined											
4.6 Other											
4.7 Totals											
5. Special Revenue and Special Assessment Obligations etc., Non-Guaranteed, Schedules D and DA (Group 5)											
5.1 Issuer Obligations											
5.2 Single Class Mortgage-Backed/Asset-Backed Securities											
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
5.3 Defined											
5.4 Other											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
5.5 Defined											
5.6 Other											
5.7 Totals											

SCHEDULE D - PART 1A - SECTION 2 (continued)

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values by Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
6. Public Utilities (Unaffiliated) , Schedules D and DA (Group 6)											
6.1 Issuer Obligations .....											
6.2 Single Class Mortgage-Backed/Asset-Backed Securities .....											
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
6.3 Defined .....											
6.4 Other .....											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
6.5 Defined .....											
6.6 Other .....											
6.7 Totals .....											
7. Industrial and Miscellaneous (Unaffiliated) , Schedules D and DA (Group 7)											
7.1 Issuer Obligations .....	425,076	1,812,700				2,237,776	12.9			2,237,776	
7.2 Single Class Mortgage-Backed/Asset-Backed Securities .....											
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
7.3 Defined .....											
7.4 Other .....											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
7.5 Defined .....											
7.6 Other .....											
7.7 Totals .....	425,076	1,812,700				2,237,776	12.9			2,237,776	
8. Credit Tenant Loans , Schedules D and DA (Group 8)											
8.1 Issuer Obligations .....											
8.7 Totals .....											
9. Parent, Subsidiaries and Affiliates, Schedules D and DA (Group 9)											
9.1 Issuer Obligations .....											
9.2 Single Class Mortgage-Backed/Asset-Backed Securities .....											
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
9.3 Defined .....											
9.4 Other .....											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
9.5 Defined .....											
9.6 Other .....											
9.7 Totals .....											



ANNUAL STATEMENT FOR THE YEAR 2005 OF THE MEMPHIS MANAGED CARE CORPORATION

SCHEDULE D - PART 1A - SECTION 2 (continued)

Maturity Distribution of All Bonds Owned December 31 , At Book /Adjusted Carrying Values by Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
10. Total Bonds Current Year											
10.1 Issuer Obligations	3,929,762	13,434,949				17,364,711	100.0	XXX	XXX	17,364,711	
10.2 Single Class Mortgage-Backed/Asset-Backed Securities								XXX	XXX		
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
10.3 Defined								XXX	XXX		
10.4 Other								XXX	XXX		
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
10.5 Defined								XXX	XXX		
10.6 Other								XXX	XXX		
10.7 Totals	3,929,762	13,434,949				17,364,711	100.0	XXX	XXX	17,364,711	
10.8 Line 10.7 as a % of Column 6	22.6	77.4				100.0	XXX	XXX	XXX	100.0	
11. Total Bonds Prior Year											
11.1 Issuer Obligations	2,459,894	743,600				XXX	XXX	3,203,494	100.0	3,203,495	
11.2 Single Class Mortgage-Backed/Asset-Backed Securities						XXX	XXX				
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
11.3 Defined						XXX	XXX				
11.4 Other						XXX	XXX				
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
11.5 Defined						XXX	XXX				
11.6 Other						XXX	XXX				
11.7 Totals	2,459,894	743,600				XXX	XXX	3,203,494	100.0	3,203,495	
11.8 Line 11.7 as a % of Column 8	76.8	23.2				XXX	XXX	100.0	XXX	100.0	
12. Total Publicly Traded Bonds											
12.1 Issuer Obligations	3,929,762	13,434,949				17,364,711	100.0	3,203,495	100.0	17,364,711	XXX
12.2 Single Class Mortgage-Backed/Asset-Backed Securities											XXX
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
12.3 Defined											XXX
12.4 Other											XXX
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
12.5 Defined											XXX
12.6 Other											XXX
12.7 Totals	3,929,762	13,434,949				17,364,711	100.0	3,203,495	100.0	17,364,711	XXX
12.8 Line 12.7 as a % of Column 6	22.6	77.4				100.0	XXX	XXX	XXX	100.0	XXX
12.9 Line 12.7 as a % of Line 10.7, Column 6, Section 10	22.6	77.4				100.0	XXX	XXX	XXX	100.0	XXX
13. Total Privately Placed Bonds											
13.1 Issuer Obligations										XXX	
13.2 Single Class Mortgage-Backed/Asset-Backed Securities										XXX	
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
13.3 Defined										XXX	
13.4 Other										XXX	
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
13.5 Defined										XXX	
13.6 Other										XXX	
13.7 Totals										XXX	
13.8 Line 13.7 as a % of Column 6							XXX	XXX	XXX	XXX	
13.9 Line 13.7 as a % of Line 10.7, Column 6, Section 10							XXX	XXX	XXX	XXX	

SCHEDULE DA - PART 2 - VERIFICATION BETWEEN YEARS

Short-Term Investments

	1	2	3	4	5
	Total	Bonds	Mortgage Loans	Other Short-term Investment Assets (a)	Investments in Parent Subsidiaries and Affiliates
1. Book/adjusted carrying value, December 31 of prior year .....					
2. Cost of short-term investments acquired .....					
3. Increase (decrease) by adjustment .....					
4. Increase (decrease) by foreign exchange adjustment .....					
5. Total profit (loss) on disposal of short-term investments .....					
6. Consideration received on disposal of short-term investments .....					
7. Book/adjusted carrying value, current year .....					
8. Total valuation allowance .....					
9. Subtotal (Line 7 plus Line 8) .....					
10. Total nonadmitted amounts .....					
11. Statement value (Line 9 minus Line 10) .....					
12. Income collected during year .....					
13. Income earned during year .....					

NONE

(a) Indicate the category of such assets, for example, joint ventures, transportation equipment: .....

SCHEDULE DB - PART A - VERIFICATION BETWEEN YEARS

Options, Caps, Floors and Insurance Futures Options Owned

1. Book value, December 31, prior year (Line 8, prior year)		
2. Cost/Option Premium (Section 2, Column 7)		
3. Increase/(Decrease) by Adjustment (Section 1, Column 12) plus (Section 3, Column 13)		
4. Gain/(Loss) on Termination:		
4.1 Recognized (Section 3, Column 14)		
4.2 Used to Adjust Basis of Hedged Item (Section 3, Column 15)		
5. Consideration Received on Terminations (Section 3, Column 16)		
6. Used to Adjust Basis on Open Contracts (Section 3, Column 17)		
7. Disposition of Deferred Amount on Contracts Terminated in Prior Year:		
7.1 Recognized		
7.2 Used to Adjust Basis of Hedged Item		
8. Book value, December 31, Current Year (Line 1 plus Line 2 plus Line 3 plus Line 4 minus Line 5 minus Line 6 minus Line 7)		

NONE

SCHEDULE DB - PART B - VERIFICATION BETWEEN YEARS

Options, Caps, Floors and Insurance Futures Options Written

1. Book value, December 31, prior year (Line 8, prior year)		
2. Consideration received (Section 2, Column 7)		
3. Increase/(Decrease) by Adjustment (Section 1, Column 12) plus (Section 3, Column 13)		
4. Gain/(Loss) on Termination:		
4.1 Recognized (Section 3, Column 14)		
4.2 Used to Adjust Basis (Section 3, Column 15)		
5. Consideration Paid on Terminations (Section 3, Column 16)		
6. Used to Adjust Basis on Open Contracts (Section 3, Column 17)		
7. Disposition of Deferred Amount on Contracts Terminated in Prior Year:		
7.1 Recognized		
7.2 Used to Adjust Basis		
8. Book value, December 31, Current Year		

NONE

SCHEDULE DB - PART C - VERIFICATION BETWEEN YEARS

Swaps and Forwards

1.	Book value, December 31, prior year (Line 8, prior year)		
2.	Cost or (Consideration Received) (Section 2, Column 7)		
3.	Increase/ (Decrease) by Adjustment (Section 1,		
4.	Gain/ (Loss) on Termination:		
4.1	Recognized (Section 3, Column 14)		
4.2	Used to Adjust Basis of Hedged Item (Se		
5.	Consideration Received (or Paid) on Termination		
6.	Used to Adjust Basis on Hedged Item on Open Contracts (Section 1, Column 13)		
7.	Disposition of Deferred Amount on Contracts Terminated in Prior Year:		
7.1	Recognized		
7.2	Used to Adjust Basis of Hedged Item		
8.	Book value, December 31, Current Year (Line 1 plus Line 2 plus Line 3 plus Line 4 minus Line 5 minus Line 6 minus Line 7)		

NONE

SCHEDULE DB - PART D - VERIFICATION BETWEEN YEARS

Futures Contracts and Insurance Futures Contracts

1.	Book value, December 31, prior year (Line 8, prior year)		
2.	Change in total Variation Margin on Open Contracts (Difference between years-Section 1, Column 6)		
3.1	Change in Variation Margin on Open Contracts Used to Adjust Basis of Hedged Item (Section 1, Column 11)		
3.2	Change in Variation Margin on Open Contracts Recognized (Difference between years-Section 1, Column 10)		
4.1	Variation Margin on Contracts Terminated During		
4.2	Less:		
4.21	Gain/ (Loss) Recognized in Current Year		
4.22	Gain/ (Loss) Used to Adjust Basis of Hex		
4.3	Subtotal (Line 4.1 minus Line 4.2)		
5.1	Net Additions to Cash Deposits (Section 2, Colur...., )		
5.2	Less: Net Reductions to Cash Deposits (Section 3, Column 9)		
6.	Subtotal (Line 1 minus Line 2 plus Line 3.1 plus Line 3.2 minus Line 4.3 plus Line 5.2)		
7.	Disposition of Gain/ (Loss) on Contracts Terminated in Prior Year:		
7.1	Recognized		
7.2	Used to Adjust Basis of Hedged Item		
8.	Book value, December 31, Current Year (Line 6 plus Line 7.1 plus Line 7.2)		

NONE

SCHEDULE DB - PART E - VERIFICATION

Statement Value and Fair Value of Open Contracts

			Statement Value
1.	Part A, Section 1, Column 10		
2.	Part B, Section 1, Column 10		
3.	Part C, Section 1, Column 10		
4.	Part D, Section 1, Column 9 minus Column 12		
5.	Line 1 minus Line 2 plus Line 3 plus Line 4		
6.	Part E, Section 1, Column 4		
7.	Part E, Section 1, Column 5		
8.	Line 5 minus Line 6 minus Line 7		
			Fair Value
9.	Part A, Section 1, Column 11		
10.	Part B, Section 1, Column 11		
11.	Part C, Section 1, Column 11		
12.	Part D, Section 1, Column 9		
13.	Line 9 minus Line 10 plus Line 11 plus Line 12		
14.	Part E, Section 1, Column 7		
15.	Part E, Section 1, Column 8		
16.	Line 13 minus Line 14 minus Line 15		

NONE

SCHEDULE DB - PART F - SECTION 1

Replicated (Synthetic) Assets Open

Replicated (Synthetic) Asset					Components of the Replicated (Synthetic) Asset						
1	2	3	4	5	Derivative Instruments Open		Cash Instrument(s) Held				
Replication RSAT Number	Description	NAIC Designation or Other Description	Statement Value	Fair Value	6	7	8	9	10	11	12
					Description	Fair Value	CUSIP	Description	Statement Value	Fair Value	NAIC Designation or Other Description

NONE

SCHEDULE DB - PART F - SECTION 2

Reconciliation of Replicated (Synthetic) Assets Open

	First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Year-To-Date	
	1	2	3	4	5	6	7	8	9	10
	Number of Positions	Total Replicated (Synthetic) Assets Statement Value	Number of Positions	Total Replicated (Synthetic) Assets Statement Value	Number of Positions	Total Replicated (Synthetic) Assets Statement Value	Number of Positions	Total Replicated (Synthetic) Assets Statement Value	Number of Positions	Total Replicated (Synthetic) Assets Statement Value
1. Beginning Inventory .....										
2. Add: Opened or Acquired Transactions .....										
3. Add: Increases in Replicated Asset Statement Value .....	X X X						X X X		X X X	
4. Less: Closed or Disposed of Transactions .....										
5. Less: Positions Disposed of for Failing Effectiveness Criteria .....										
6. Less: Decreases in Replicated (Synthetic) Asset Statement Value .....	X X X						X X X		X X X	
7. Ending Inventory .....										

NONE

SCHEDULE S - PART 1 - SECTION 2

Reinsurance Assumed Accident and Health Insurance Listed by Reinsured Company as of December 31, Current Year

1	2	3	4	5	6	7	8	9	10	11	12
NAIC Company Code	Federal ID Number	Effective Date	Name of Reinsured	Location	Type of Reinsurance Assumed	Premiums	Unearned Premiums	Reserve Liability Other Than for Unearned Premiums	Reinsurance Payable on Paid and Unpaid Losses	Modified Coinsurance Reserve	Funds Withheld Under Coinsurance

NONE

SCHEDULE S - PART 2

Reinsurance Recoverable on Paid and Unpaid Losses Listed by Reinsuring Company as of December 31, Current Year

1	2	3	4	5	6	7
NAIC Company Code	Federal ID Number	Effective Date	Name of Company	Location	Paid Losses	Unpaid Losses

NONE



SCHEDULE S - PART 3 - SECTION 2

Reinsurance Ceded Accident and Health Insurance Listed by Reinsuring Company as of December 31 , Current Year

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4  Name of Company	5  Location	6  Type	7  Premiums	8  Unearned Premiums (estimated)	9  Reserve Credit Taken Other than for Unearned Premiums	Outstanding Surplus Relief		12  Modified Coinsurance Reserve	13  Funds Withheld Under Coinsurance
									10  Current Year	11  Prior Year		

NONE

SCHEDULE S - PART 4

Reinsurance Ceded To Unauthorized Companies

1	2	3	4	5	6	7	8	9	10	11	12	13	14
NAIC Company Code	Federal ID Number	Effective Date	Name of Reinsurer	Reserve Credit Taken	Paid and Unpaid Losses Recoverable (Debit)	Other Debits	Total (Columns 5 plus 6 plus 7)	Letters of Credit	Trust Agreements	Funds Deposited by and Withheld from Reinsurers	Other	Miscellaneous Balances (Credit)	Sum of Columns 9 plus 10 plus 11 plus 12 plus 13 But Not in Excess of Column 8

NONE

SCHEDULES S - PART 5

Five-Year Exhibit of Reinsurance Ceded Business  
(000 Omitted)

	1 2005	2 2004	3 2003	4 2002	5 2001
A. OPERATIONS ITEMS					
1. Premiums .....					
2. Title XVIII - Medicare .....					
3. Title XIX - Medicaid .....					
4. Commissions and reinsurance expense allowance .....					
5. Total hospital and medical expenses .....					
B. BALANCE SHEET ITEMS					
6. Premiums receivable .....	NONE				
7. Claims payable .....					
8. Reinsurance recoverable on paid losses .....					
9. Experience rating refunds due or unpaid .....					
10. Commissions and reinsurance expense allowances unpaid .....					
11. Unauthorized reinsurance offset .....					
C. UNAUTHORIZED REINSURANCE (DEPOSITS BY AND FUNDS WITHHELD FROM)					
12. Funds deposited by and withheld from (F) .....					
13. Letters of credit (L) .....					
14. Trust agreements (T) .....					
15. Other (O) .....					

SCHEDULE S - PART 6

Restatement of Balance Sheet to Identify Net Credit for Ceded Reinsurance

	1 As Reported (net of ceded)	2 Restatement Adjustments	3 Restated (gross of ceded)
<b>ASSETS (Page 2, Column 3)</b>			
1. Cash and invested assets (Line 10) .....	23,355,966		23,355,966
2. Accident and health premiums due and unpaid (Line 13) .....			
3. Amounts recoverable from reinsurers (Line 14.1) .....			
4. Net credit for ceded reinsurance .....	X X X		
5. All other admitted assets (Balance) .....	5,495,603		5,495,603
6. Total assets (Line 26) .....	28,851,569		28,851,569
<b>LIABILITIES, CAPITAL AND SURPLUS (Page 3)</b>			
7. Claims unpaid (Line 1) .....			
8. Accrued medical incentive pool and bonus payments (Line 2) .....			
9. Premiums received in advance (Line 8) .....			
10. Reinsurance in unauthorized companies (Line 18) .....			
11. All other liabilities (Balance) .....	2,313,261		2,313,261
12. Total liabilities (Line 22) .....	2,313,261		2,313,261
13. Total capital and surplus (Line 31) .....	26,538,308	X X X	26,538,308
14. Total liabilities, capital and surplus (Line 32) .....	28,851,569		28,851,569
<b>NET CREDIT FOR CEDED REINSURANCE</b>			
15. Claims unpaid .....			
16. Accrued medical incentive pool .....			
17. Premiums received in advance .....			
18. Reinsurance recoverable on paid losses .....			
19. Other ceded reinsurance recoverables .....			
20. Total ceded reinsurance recoverables .....			
21. Premiums receivable .....			
22. Unauthorized reinsurance .....			
23. Other ceded reinsurance payables/offsets .....			
24. Total ceded reinsurance payables/offsets .....			
25. Total net credit for ceded reinsurance .....			

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

State, Etc.	1 Guaranty Fund (Yes or No)	2 Is Insurer Licensed (Yes or No)	Direct Business Only					
			3 Accident and Health Premiums	4 Medicare Title XVIII	5 Medicaid Title XIX	6 Federal Employee Health Benefits Program Premiums	7 Life and Annuity Premiums and Deposit-Type Contract Funds	8 Property/Casualty Premiums
1. Alabama	AL							
2. Alaska	AK							
3. Arizona	AZ							
4. Arkansas	AR							
5. California	CA							
6. Colorado	CO							
7. Connecticut	CT							
8. Delaware	DE							
9. District of Columbia	DC							
10. Florida	FL							
11. Georgia	GA							
12. Hawaii	HI							
13. Idaho	ID							
14. Illinois	IL							
15. Indiana	IN							
16. Iowa	IA							
17. Kansas	KS							
18. Kentucky	KY							
19. Louisiana	LA							
20. Maine	ME							
21. Maryland	MD							
22. Massachusetts	MA							
23. Michigan	MI							
24. Minnesota	MN							
25. Mississippi	MS							
26. Missouri	MO							
27. Montana	MT							
28. Nebraska	NE							
29. Nevada	NV							
30. New Hampshire	NH							
31. New Jersey	NJ							
32. New Mexico	NM							
33. New York	NY							
34. North Carolina	NC							
35. North Dakota	ND							
36. Ohio	OH							
37. Oklahoma								
38. Oregon								
39. Pennsylvania								
40. Rhode Island								
41. South Carolina								
42. South Dakota								
43. Tennessee								
44. Texas								
45. Utah								
46. Vermont								
47. Virginia	VA							
48. Washington	WA							
49. West Virginia	WV							
50. Wisconsin	WI							
51. Wyoming	WY							
52. American Samoa	AS							
53. Guam	GU							
54. Puerto Rico	PR							
55. U.S. Virgin Islands	VI							
56. Canada	CN							
57. Aggregate other alien	OT	XXX	XXX					
58. Subtotal		XXX	XXX					
59. Reporting entity contributions for Employee Benefit Plans		XXX	XXX					
60. Total (Direct Business)		XXX	(a)					

DETAILS OF WRITE-INS

5701.	XXX	XXX						
5702.	XXX	XXX						
5703.	XXX	XXX						
5798. Summary of remaining write-ins for Line 57 from overflow page	XXX	XXX						
5799. Total (Line 5701 through Line 5703 plus Line 5798)								
(Line 57 above)	XXX	XXX						

Explanation of basis of allocation by states, premiums by state, etc.

(a) Insert the number of yes responses except for Canada and Other Alien.

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES  
OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**

**PART 1 - ORGANIZATIONAL CHART**

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**NONE**

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SCHEDULE T - PART 2

INTERSTATE COMPACT PRODUCTS - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

States, Etc.			Direct Business Only					
			1 Life (Group and Individual)	2 Annuities (Group and Individual)	3 Disability Income (Group and Individual)	4 Long-Term Care (Group and Individual)	5 Deposit-Type Contracts	6 Totals
1. Alabama	AL							
2. Alaska	AK							
3. Arizona	AZ							
4. Arkansas	AR							
5. California	CA							
6. Colorado	CO							
7. Connecticut	CT							
8. Delaware	DE							
9. District of Columbia	DC							
10. Florida	FL							
11. Georgia	GA							
12. Hawaii	HI							
13. Idaho	ID							
14. Illinois	IL							
15. Indiana	IN							
16. Iowa	IA							
17. Kansas	KS							
18. Kentucky	KY							
19. Louisiana	LA							
20. Maine	ME							
21. Maryland	MD							
22. Massachusetts	MA							
23. Michigan	MI							
24. Minnesota	MN							
25. Mississippi	MS							
26. Missouri	MO							
27. Montana	MT							
28. Nebraska	NE							
29. Nevada	NV							
30. New Hampshire	NH							
31. New Jersey	NJ							
32. New Mexico	NM							
33. New York	NY							
34. North Carolina	NC							
35. North Dakota	ND							
36. Ohio	OH							
37. Oklahoma	OK							
38. Oregon	OR							
39. Pennsylvania	PA							
40. Rhode Island	RI							
41. South Carolina	SC							
42. South Dakota	SD							
43. Tennessee	TN							
44. Texas	TX							
45. Utah	UT							
46. Vermont	VT							
47. Virginia	VA							
48. Washington	WA							
49. West Virginia	WV							
50. Wisconsin	WI							
51. Wyoming	WY							
52. American Samoa	AS							
53. Guam	GU							
54. Puerto Rico	PR							
55. U. S. Virgin Islands	VI							
56. Canada	CN							
57. Aggregate Other Alien	OT							
58. Totals								

NONE

SCHEDULE Y

PART 2 - SUMMARY OF INSURER'S TRANSACTIONS WITH ANY AFFILIATES

1	2	3	4	5	6	7	8	9	10	11	12	13
NAIC Company Code	Federal ID Number	Names of Insurers and Parent, Subsidiaries or Affiliates	Shareholder Dividends	Capital Contributions	Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments	Income/ (Disbursements) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s)	Management Agreements and Service Contracts	Income/ (Disbursements) Incurred Under Reinsurance Agreements	*	Any Other Material Activity Not in the Ordinary Course of the Insurer's Business	Totals	Reinsurance Recoverable/ (Payable) on Losses and/or Reserve Credit Taken/ (Liability)

NONE

If the nature of the transactions reported in Part 2 requires explanation, report such in the following explanatory note:

.....  
.....  
.....  
.....



SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing unless specifically waived by the domiciliary state. However, in the event that your domiciliary state waives the filing requirement, your response of WAIVED to the specific interrogatory will be accepted in lieu of filing a NONE report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason, enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

	MARCH FILING	RESPONSE
1. Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1?		YES
EXPLANATION:		
BARCODE:		
Document Identifier 460:		
2. Will an actuarial opinion be filed by March 1?		YES
EXPLANATION:		
BARCODE:		
Document Identifier 440:		
3. Will the Risk-based Capital Report be filed with the NAIC by March 1?		WAIVED
EXPLANATION:		
BARCODE:		
Document Identifier 390:		
4. Will the Risk-based Capital be filed with the state of domicile, if required by March 1?		WAIVED
EXPLANATION:		
BARCODE:		
Document Identifier 390:		
APRIL FILING		
5. Will Management's Discussion and Analysis be filed by April 1?		YES
EXPLANATION:		
BARCODE:		
Document Identifier 350:		
6. Will the Investment Risks Interrogatories be filed by April 1?		WAIVED
EXPLANATION:		
BARCODE:		
Document Identifier 285:		
JUNE FILING		
7. Will an audited financial report be filed by June 1?		YES
EXPLANATION:		
BARCODE:		
Document Identifier 220:		

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a NONE report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

	MARCH FILING	RESPONSE
8. Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1?		NO
EXPLANATION:		
NOT APPLICABLE		
BARCODE:	0 0 0 0 0 2 0 0 5 3 6 0 0 0 0 0 0	
Document Identifier 360:		
9. Will the Supplemental Life data due March 1 be filed with the state of domicile and the NAIC?		NO
EXPLANATION:		
NOT APPLICABLE		
BARCODE:	0 0 0 0 0 2 0 0 5 2 0 5 0 0 0 0 0	
Document Identifier 205:		
10. Will the Supplemental Property/Casualty data due March 1 be filed with the state of domicile and the NAIC?		NO
EXPLANATION:		
NOT APPLICABLE		
BARCODE:	0 0 0 0 0 2 0 0 5 2 0 7 0 0 0 0 0	
Document Identifier 207:		
11. Will Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1?		NO
EXPLANATION:		
NOT APPLICABLE		
BARCODE:	0 0 0 0 0 2 0 0 5 4 2 0 0 0 0 0 0	
Document Identifier 420:		
APRIL FILING		
12. Will the Long-Term Care Experience Reporting Forms be filed with the state of domicile by April 1?		NO
EXPLANATION:		
NOT APPLICABLE		
BARCODE:	0 0 0 0 0 2 0 0 5 3 3 0 0 0 0 0 0	
Document Identifier 330:		
13. Will the Supplemental Life data due April 1 be filed with the state of domicile and the NAIC?		NO
EXPLANATION:		
BARCODE:	0 0 0 0 0 2 0 0 5 2 1 1 0 0 0 0 0	
Document Identifier 211:		
14. Will the Supplemental Property/Casualty data due April 1 be filed with the state of domicile and the NAIC?		NO
EXPLANATION:		
BARCODE:	0 0 0 0 0 2 0 0 5 2 1 3 0 0 0 0 0	
Document Identifier 213:		

SCHEDULE A - PART 1

Showing all Real Estate OWNED December 31 of Current Year

1	2	Location		5	6	7	8	9	10	11	12	13	14	15	16
Description of Property	Code	3	4	Date Acquired	Date of Last Appraisal	Actual Cost	Amount of Encumbrances	Book/Adjusted Carrying Value Less Encumbrances	Fair Value Less Encumbrances	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Amounts Received During Year	Expended for Additions, Permanent Improvements and Changes in Encumbrances During Year	Gross Income Earned Less Interest Incurred on Encumbrances	Taxes, Repairs and Expenses Incurred
		City	State												

NONE

SCHEDULE A - PART 2

Showing all Real Estate ACQUIRED During the Year

1  Description of Property	Location		4  Date Acquired	5  Name of Vendor	6  Actual Cost	7  Amount of Encumbrances	8  Book/Adjusted Carrying Value Less Encumbrances	9  Expended for Additions and Permanent Improvements
	2  City	3  State						

NONE

SCHEDULE A - PART 3

Showing all Real Estate SOLD during the Year , including Payments during the Final Year on "Sales under Contract".

1  Description of Property	Location		4  Disposal Date	5  Name of Purchaser	6  Actual Cost	7  Increase (Decrease) by Adjustment	8  Increase (Decrease) by Foreign Exchange Adjustment	9  Expended for Additions, Permanent Improvements and Changes in Encumbrances	10  Book/Adjusted Carrying Value Less Encumbrances	11  Amounts Received	12  Foreign Exchange Profit (Loss) on Sale	13  Realized Profit (Loss) on Sale	14  Total Profit (Loss) on Sale	15  Gross Income Earned Less Interest Incurred on Encumbrances	16  Taxes, Repairs and Expenses Incurred
	2  City	3  State													

NONE

SCHEDULE B - PART 1

Showing all Mortgage Loans OWNED December 31 of Current Year

1	2	Location		5	6	7	8	9	10	11	12
Loan Number	Code	3	4	Loan Type	Date Acquired	Rate of Interest	Book Value/Recorded Investment Excluding Accrued Interest	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Value of Land and Buildings	Date of Last Appraisal or Valuation
		City	State								

NONE

E04

General Interrogatory:  
1. Mortgages in good standing \$ ..... unpaid taxes \$ ..... interest due and unpaid.  
2. Restructured mortgages \$ ..... unpaid taxes \$ ..... interest due and unpaid.  
3. Mortgages with overdue interest over 90 days not in process of foreclosure \$ ..... unpaid taxes \$ ..... interest due and unpaid.  
4. Mortgages in process of foreclosure \$ ..... unpaid taxes \$ ..... interest due and unpaid.

SCHEDULE B - PART 2

Showing all Mortgage Loans SOLD , transferred or paid in full during the Year

1	Location		4	5	6	7	8	9	10	11	12	13
Loan Number	2	3	Loan Type	Date Acquired	Book Value/Recorded Investment Excluding Accrued Interest Prior Year	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Book Value/Recorded Investment Excluding Accrued Interest at Disposition	Consideration Received	Foreign Exchange Profit (Loss) on Sale	Realized Profit (Loss) on Sale	Total Profit (Loss) on Sale
	City	State										

NONE

SCHEDULE BA - PART 1

Showing Other Long-Term Invested Assets OWNED December 31 of Current Year

1	2	3	Location		6	7	8	9	10	11	12	13	14	15	16	17	18	19
CUSIP Identification	Name or Description	Code	4	5	Name of Vendor or General Partner	NAIC Designation	Date Originally Acquired	Type and Strategy	Actual Cost	Additional Investment During Year Actual Cost	Fair Value	Amount of Encumbrances	Book/Adjusted Carrying Value Less Encumbrances	Increase (Decrease) by Adjustment	Increase (Decrease) By Foreign Exchange Adjustment	Investment Income	Commitment for Additional Investment	Percentage of Ownership

NONE



SCHEDULE BA - PART 2

Showing Other Long-Term Invested Assets SOLD , transferred or paid in full during the Year

1	2	Location		5	6	7	8	9	10	11	12	13	14	15
CUSIP Identification	Name or Description	3  City	4  State	Name of Purchaser or Nature of Disposal	Date Originally Acquired	Book/Adjusted Carrying Value Less Encumbrances, Prior Year	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Book/Adjusted Carrying Value Less Encumbrances on Disposal	Consideration Received	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Investment Income

NONE

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	*	Foreign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used To Obtain Fair Value	Fair Value	Par Value	Book / Adjusted Carrying Value	Unrealized Valuation Increase / (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	How Paid	Admitted Amount Due and Accrued	Gross Amount Received During Year	Acquired	Maturity
U.S. Governments - Issuer Obligations																					
912828-BF-6	U.S. TREASURY NOTE			1		246,660		246,925	250,000	247,072					2.375	4.410		1,855		12/04/2005	08/15/2006
912848-CF-5	U.S. TREASURY NOTE			1		247,607		248,370	250,000	248,795					2.250	4.180		2,339		09/30/2005	04/30/2006
912828-CM-0	U.S. TREASURY NOTE			1		347,334		347,281	350,000	348,857					2.750	3.420		3,297		05/03/2005	06/30/2006
912828-BF-6	U.S. TREASURY NOTE			1		1,413,563		1,397,596	1,415,000	1,414,572					2.375	2.430				08/15/2004	08/15/2006
912828-AH-3	U.S. TREASURY NOTE			1		2,478,613		2,454,775	2,500,000	2,488,718					3.250	3.530				05/14/2004	08/15/2007
912828-DT-4	U.S. TREASURY NOTE			1		2,496,973		2,464,450	2,500,000	2,498,352					3.750	3.860		13,247		05/15/2005	05/15/2008
912828-BP-4	U.S. TREASURY NOTE			1		484,602		477,555	485,000	484,864					2.625	2.660				11/17/2003	11/15/2006
912828-DK-3	U.S. TREASURY NOTE			1		1,979,844		1,958,820	2,000,000	1,983,584					3.375	3.780		27,224		02/15/2005	02/15/2008
912828-CC-2	U.S. TREASURY NOTE			1		244,206		232,243	245,000	244,482					2.625	2.690				03/15/2004	03/15/2009
0199999	U.S. Governments - Issuer Obligations					9,939,402		9,828,015	9,995,000	9,959,296								47,962			
0399999	Subtotal - U.S. Governments					9,939,402		9,828,015	9,995,000	9,959,296								47,962			
All Other Governments - Issuer Obligations																					
3133XB-EE-1	FEDERAL HOME LOAN BANK			1		150,551		148,970	150,000	150,153					4.430	4.020		775		04/07/2005	04/07/2008
36225D-MF-8	FEDERAL NAT'L MTG ASSN			1		208,778		205,314	210,993	210,705					5.000	6.610		729		06/01/2005	02/01/2006
313589-UW-1	FEDERAL NAT'L MTG ASSN			1		489,990		489,990	500,000	487,409						3.470				08/01/2005	03/01/2006
3133XC-XA-6	FEDERAL HOME LOAN BANK			1		500,000		498,595	500,000	500,000					4.000	4.000				08/19/2005	05/30/2006
3133XE-SU-9	FEDERAL HOME LOAN BANK			1		350,000		349,783	350,000	350,000										12/01/2005	06/30/2006
3133XC-MU-4	FEDERAL HOME LOAN BANK			1		499,986		498,280	500,000	499,992					4.015	4.020				08/01/2005	08/01/2006
3133XG-J4-9	FEDERAL HOME LOAN BANK			1		148,485		148,922	150,000	149,237					2.350	4.390		69		10/01/2005	04/27/2006
3136F5-LZ-2	FEDERAL HOME LOAN BANK			1		197,800		198,626	200,000	198,892					2.350	4.580				10/01/2005	10/01/2006
31331T-ZV-6	FEDERAL FARM CREDIT BANK			1		449,017		451,729	455,000	452,731					1.970	3.970		1,021		08/30/2005	04/30/2006
3133MV-HK-2	FEDERAL HOME LOAN			1		568,681		552,574	555,000	556,040					2.500	1.600				01/21/2003	03/15/2006
3133XA-KC-0	FEDERAL HOME LOAN			1		504,250		497,815	500,000	503,310					4.500	4.260				02/15/2005	02/15/2006
3136F6-D7-1	FANNIE MAE			1		502,125		495,780	500,000	501,201					4.000	3.790				02/22/2005	02/22/2007
3133XA-WL-7	FEDERAL HOME LOAN			1		100,000		100,003	100,000	100,000										02/01/2005	03/01/2006
3128X3-BU-6	FREDDIE MAC CALLABLE			1		493,516		496,250	500,000	498,269					2.270	3.340		3,626		04/28/2005	04/28/2006
0499999	All Other Governments - Issuer Obligations					5,163,179		5,132,631	5,170,993	5,167,639								6,220			
1099999	Subtotal - All Other Governments					5,163,179		5,132,631	5,170,993	5,167,639								6,220			
Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations																					
002824-AM-2	ABBOTT LABS CALLABLE			1		102,819		100,465	100,000	101,014					5.625	3.580			302	02/01/2005	07/01/2006
038222-AC-9	APPLIED MATERIALS INC.			1		106,878		102,685	100,000	104,638					6.750	4.070			355	02/15/2005	10/15/2007
073902-CB-2	BEARS STEARNS CO.			1		99,513		99,611	100,000	99,954					3.000	3.540			787	07/22/2005	02/22/2006
36962G-B7-8	GENERAL ELECTRIC			1		98,082		97,135	100,000	98,403					3.500	4.220			346	07/01/2005	05/01/2008
125581-AG-3	CIT GROUP INC.			1		98,811		98,611	100,000	99,457					2.875	3.610			299	02/28/2005	09/29/2006
14912L-2L-4	CATERPILLAR FINANCIAL SERVICES CORP.			1		99,643		97,828	100,000	99,747					3.800	3.930			326	02/08/2005	02/08/2008
17252M-AE-0	CINTAS CORP.			1		102,935		100,252	100,000	101,816					5.125	3.810			324	02/01/2005	02/01/2007
172967-BH-3	CITIGROUP INC.			1		102,756		100,440	100,000	101,093					5.500	3.610			305	02/09/2005	08/09/2006
423328-BS-1	HELLER FINANCIAL			1		103,026		100,338	100,000	100,568					6.375	3.620			304	02/15/2005	03/15/2006
428236-AE-3	HEWLETT PACKARD			1		103,507		100,836	100,000	101,825					5.750	3.810			324	02/15/2005	12/15/2006
(continues)																					

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	*	Foreign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used To Obtain Fair Value	Fair Value	Par Value	Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	How Paid	Admitted Amount Due and Accrued	Gross Amount Received During Year	Acquired	Maturity
Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations (continued)																					
441812-JT-2	HOUSEHOLD FINANCE				1	102,785	1.000	124,974	100,000	100,189					6.500	3.610			542	02/24/2005	01/24/2006
45974V-YY-8	INTERNATIONAL LEASE FINANCE				1	125,671	1.000	124,974	125,000	125,033					4.000	3.430				02/24/2005	01/17/2006
634906-CD-1	NATIONAL CITY BANK INDIANA				1	100,288	1.000	98,620	100,000	100,192					4.000	3.890			1,600	02/28/2005	09/28/2007
693476-AR-4	PNC FUNDING CORP.				1	102,925	1.000	100,486	100,000	101,160					5.750	3.750			316	02/01/2005	08/01/2006
854616-AH-2	STANLEY WORKS				1	99,136	1.000	97,617	100,000	99,413					3.500	3.830			317	02/01/2005	11/01/2007
86787E-AD-9	SUNTRUST BANK				1	98,806	1.000	99,825	100,000	99,900					2.125	3.340			2,200	02/28/2005	01/30/2006
87612E-AD-8	TARGET CORP.				1	103,549	1.000	100,712	100,000	102,086					5.500	3.790			323	02/01/2005	04/01/2007
91159H-GH-7	US BANKCORP				1	99,204	1.000	99,556	100,000	99,827					2.750	3.450			287	02/01/2005	03/30/2006
931142-BN-2	WALMART STORES				1	102,722	1.000	100,431	100,000	101,079					5.450	3.590			303	02/01/2005	08/01/2006
46625H-AP-5	MORGAN CHASE				1	100,648	1.000	100,453	100,000	100,611					5.250	4.780			(60)	12/01/2005	05/30/2007
949740-BZ-6	WELLS FARGO				1	103,631	1.000	100,469	100,000	100,796					6.875	3.700			311	12/01/2005	04/01/2006
36962G-B7-8	GENERAL ELECTRIC				1	98,397	1.000	97,135	100,000	98,975					2.800	3.840			302	06/01/2005	05/01/2008
3999999	Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations					2,255,732		2,243,453	2,225,000	2,237,776									10,113		
4599999	Subtotal - Industrial and Miscellaneous (Unaffiliated)					2,255,732		2,243,453	2,225,000	2,237,776									10,113		
5499999	Total Bonds - Subtotal - Issuer Obligations					17,358,313		17,204,099	17,390,993	17,364,711								54,182	10,113		
6099999	TOTALS					17,358,313		17,204,099	17,390,993	17,364,711								54,182	10,113		

SCHEDULE D - PART 2 - SECTION 1

Showing all PREFERRED STOCKS Owned December 31 of Current Year

1	2	Codes		5	6	7	8	Fair Value		11	Dividends			Changes in Book/Adjusted Carrying Value					20	21
		3	4					9	10		12	13	14	15	16	17	18	19		
CUSIP Identification	Description	Code	Foreign	Number Of Shares	Par Value Per Share	Rate Per Share	Book/Adjusting Carrying Value	Rate Per Share Used to Obtain Fair Value	Fair Value	Actual Cost	Declared but Unpaid	Amount Received During Year	Nonadmitted Declared But Unpaid	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization) Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (15+16-17)	Total Foreign Exchange Change in B./A.C.V.	NAIC Designation	Date Acquired

NONE

SCHEDULE D - PART 2 - SECTION 2

Showing all COMMON STOCKS Owned December 31 of Current Year

1	2	Codes		5	6	7	8	9	Dividends			Changes in Book/Adjusted Carrying Value				17	18
		3	4						10	11	12	13	14	15	16		
CUSIP Identification	Description	Code	Foreign	Number of Shares	Book/Adjusted Carrying Value	Rate Per Share Used to Obtain Fair Value	Fair Value	Actual Cost	Declared but Unpaid	Amount Received During Year	Nonadmitted Declared But Unpaid	Unrealized Valuation Increase/ (Decrease)	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (13 - 14)	Total Foreign Exchange Change in B./A.C.V.	NAIC Market Indicator (a)	Date Acquired

NONE

(a) For all common stocks bearing the NAIC market indicator "U" provide: the number of such issues . . . . ., the total \$ value (included in Column 8) of all such issues \$ . . . . .

SCHEDULE D - PART 3

Showing all Long-Term Bonds and Stocks ACQUIRED During Current Year

1	2	3	4	5	6	7	8	9
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends
Bonds - U. S. Governments								
912828-BF-6	U. S. TREASURY NOTE		12/08/2005	AMSOUTH BANK		246,660	250,000.00	1,855
912828-CF-5	U. S. TREASURY NOTE		09/30/2005	AMSOUTH BANK		247,607	250,000.00	2,339
912828-CM-0	U. S. TREASURY NOTE		05/03/2005	AMSOUTH BANK		347,334	350,000.00	3,297
912828-DT-4	U. S. TREASURY NOTE		05/15/2005	SUNTRUST BANK		2,496,973	2,500,000.00	13,247
912828-DK-3	U. S. TREASURY NOTE		02/15/2005	SUNTRUST BANK		1,979,844	2,000,000.00	27,224
912828-AH-3	U. S. TREASURY NOTE		07/15/2005	SUNTRUST BANK		1,979,453	2,000,000.00	23,432
313589-UW-1	U. S. TREASURY NOTE		08/01/2005	SUNTRUST BANK		489,990	500,000.00	
0399999	Subtotal - Bonds - U. S. Governments					7,787,861	7,850,000.00	71,394
Bonds - All Other Governments								
31331T-ZV-6	FEDERAL FARM CREDIT		08/30/2005	SUNTRUST BANK		449,017	455,000.00	1,021
3133XC-MU-4	FEDERAL HOME LOAN		07/20/2005	SUNTRUST BANK		499,986	500,000.00	
3133XC-XA-6	FEDERAL HOME LOAN		08/19/2005	SUNTRUST BANK		500,000	500,000.00	
3133X6-J4-9	FEDERAL HOME LOAN		10/19/2005	SUNTRUST BANK		148,485	150,000.00	69
3133XE-5U-9	FEDERAL HOME LOAN		12/12/2005	SUNTRUST BANK		350,000	350,000.00	
3133XA-WL-7	FEDERAL HOME LOAN		03/01/2005	AMSOUTH BANK		100,000	100,000.00	
3133XA-KC-0	FEDERAL HOME LOAN		02/15/2005	AMSOUTH BANK		504,250	500,000.00	19,750
3136F5-LZ-2	FEDERAL NATIONAL MTG. ASSN.		10/19/2005	SUNTRUST		197,800	200,000.00	
3133XB-EE-1	FEDERAL HOME LOAN		05/19/2005	AMSOUTH BANK		150,551	150,000.00	775
36225D-MF-8	FEDERAL NATIONAL MTG ASSN		06/27/2005	AMSOUTH BANK		241,879	238,672.00	729
3136F6-D7-1	FANNIE MAE		02/22/2005	AMSOUTH BANK		502,125	500,000.00	17,167
36962G-F4-1	FREDDIE MAC		04/25/2005	AMSOUTH BANK		493,516	500,000.00	3,626
1099999	Subtotal - Bonds - All Other Governments					4,137,609	4,143,672.00	43,137
Bonds - Industrial and Miscellaneous (Unaffiliated)								
002824-AM-2	ABBOT LABS		02/24/2005	AMSOUTH BANK		102,819	100,000.00	828
038222-AC-9	APPLIED MATERIALS		02/22/2005	AMSOUTH BANK		106,878	100,000.00	2,381
073902-CB-2	BEAR STEARNS CO.		02/22/2005	AMSOUTH BANK		99,513	100,000.00	1,183
125581-AG-3	CIT GROUP INC.		02/22/2005	AMSOUTH BANK		98,811	100,000.00	1,142
14912L-ZL-4	CATERPILLAR FINANCIAL SERVICES		02/22/2005	AMSOUTH BANK		99,643	100,000.00	201
17252M-AE-0	CINTAS CORP.		02/22/2005	AMSOUTH BANK		102,935	100,000.00	1,153
125581-AG-3	CITIGROUP INC.		02/22/2005	AMSOUTH BANK		102,756	100,000.00	199
36962G-B7-8	GENERAL ELECTRIC		06/23/2005	AMSOUTH BANK		98,082	100,000.00	1,268
423328-BS-1	HELLER FINANCIAL INC.		02/22/2005	AMSOUTH BANK		103,026	100,000.00	2,780
428236-AE-3	HEWLETT PACKARD		02/25/2005	AMSOUTH BANK		103,507	100,000.00	1,118
441812-JT-2	HOUSEHOLD FINANCE CORP		02/24/2005	AMSOUTH BANK		102,785	100,000.00	542
45974V-YY-8	INTERNATIONAL LEASE FINANCE CORP		02/24/2005	AMSOUTH BANK		125,671	125,000.00	1,792
634906-CD-1	NATIONAL CITY BANK INDIANA		02/22/2005	AMSOUTH BANK		100,288	100,000.00	1,600
693476-AR-1	PNC FUNDING		02/28/2005	AMSOUTH BANK		102,925	100,000.00	431
851610-AM-2	STANLEY WORKS		02/24/2005	AMSOUTH BANK		99,136	100,000.00	1,099
86787E-AD-9	SUNTRUST BANK		02/25/2005	AMSOUTH BANK		98,806	100,000.00	148
87612E-AD-8	TARGET CORP		02/25/2005	AMSOUTH BANK		103,549	100,000.00	2,200
911B9H-GH-7	US BANKCORP		02/24/2005	AMSOUTH BANK		99,204	100,000.00	1,100
931142-ON-2	WAL MART STORES		02/25/2005	AMSOUTH BANK		102,722	100,000.00	363
46625H-AP-5	MORGAN CHASE		12/07/2005	AMSOUTH BANK		100,648	100,000.00	452
949740-BZ-6	WELLS FARGO		02/28/2005	AMSOUTH BANK		103,631	100,000.00	2,807
36962G-F4-1	GENERAL ELECTRIC		06/23/2005	AMSOUTH BANK		98,397	100,000.00	1,268
4599999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)					2,255,732	2,225,000.00	26,055
6099997	Subtotal - Bonds - Part 3					14,181,202	14,218,672.00	140,586

SCHEDULE D - PART 3

Showing all Long-Term Bonds and Stocks ACQUIRED During Current Year

1	2	3	4	5	6	7	8	9
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends
6099998 - Summary Item from Part 5 for Bonds						4,449,923	4,460,000.00	45,595
6099999 - Subtotal - Bonds						18,631,125	18,678,672.00	186,180
7499999 - TOTALS						18,631,125		186,180

SCHEDULE D - PART 4

Showing all Long-Term Bonds and Stocks SOLD , REDEEMED or Otherwise DISPOSED OF During Current Year

1	2	3	4	5	6	7	8	9	Change In Book/Adjusted Carrying Value						16	17	18	19	20	21
									10	11	12	13	14	15						
CUSIP Identifi- cation	Description	For re- ign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year (Amorti- zation) / Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Maturity Date
6099998 - Summary Item from Part 5 for Bonds						4,458,516	4,460,000.00	4,449,923			5,785		5,785		4,460,000					
6099999 - Subtotal - Bonds						4,458,516	4,460,000.00	4,449,923			5,785		5,785		4,460,000					
7499999 - TOTALS						4,458,516		4,449,923			5,785		5,785		4,460,000					



SCHEDULE D - PART 5

Showing all Long-Term Bonds and Stocks ACQUIRED During Year and Fully DISPOSED OF During Current Year

1	2	3	4	5	6	7	8	9	10	11						17	18	19	20	21
											12	13	14	15	16					
CUSIP Identifi- cation	Description	For re- leas- ing	Date Acquired	Name of Vendor	Disposal Date	Name of Purchaser	Par Value (Bonds) or Number of Shares (Stocks)	Actual Cost	Consideration	Book/Adjusted Carrying Value at Disposal Date	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (12+13-14)	Total Foreign Exchange Change in B./A.C.V.	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest and Dividends Received During Year	Paid for Accrued Interest and Dividends
Bonds - U. S. Governments																				
912828-BJ-8	U. S. TREASURY NOTE		05/05/2005	SUNTRUST	08/31/2005	SUNTRUST	500,000.000	500,000	498,516	500,000		3,098		3,098						
912828-BS-0	U. S. TREASURY NOTE		02/22/2005	AMSOUTH	11/30/2005	AMSOUTH	250,000.000	247,852	250,000	250,000										2,148
912828-AX-8	U. S. TREASURY NOTE		02/22/2005	AMSOUTH	05/02/2005	AMSOUTH	250,000.000	249,580	250,000	250,000		420		420						2,031
912795-VP-3	U. S. TREASURY NOTE		04/21/2005	SUNTRUST	09/01/2005	SUNTRUST	500,000.000	494,578	500,000	500,000		5,422		5,422						4,958
912826-BL-3	U. S. TREASURY NOTE		02/22/2005	AMSOUTH	09/30/2005	AMSOUTH	250,000.000	248,105	250,000	250,000		1,895		1,895						1,354
0399999	- Subtotal - Bonds - U. S. Governments						1,750,000.000	1,740,115	1,748,516	1,750,000		10,835		10,835						10,491
Bonds - All Other Governments																				
3136F3-L8-7	FANNIE MAE		02/04/2005	SUNTRUST	07/08/2005	SUNTRUST	150,000.000	149,205	150,000	150,000										1,125
313397-BK-6	FEDERAL HOME LAON		01/05/2005	SUNTRUST	02/03/2005	SUNTRUST	500,000.000	498,144	500,000	500,000										856
3133X9-YD-6	FEDERAL HOME LAON		01/01/2005	SUNTRUST	12/30/2005	SUNTRUST	250,000.000	250,000	250,000	250,000										
3134A4-RA-4	FEDERAL HOME LOAN		01/31/2005	SUNTRUST	09/01/2005	SUNTRUST	525,000.000	524,459	525,000	525,000										10,062
313589-DK-6	FEDERAL NATIONAL MORTGAGES ASSN.		01/01/2005	SUNTRUST	03/23/2005	SUNTRUST	500,000.000	496,950	500,000	500,000										
1099999	- Subtotal - Bonds - All Other Governments						1,925,000.000	1,919,758	1,925,000	1,925,000										12,043
Bonds - Public Utilities (Unaffiliated)																				
637432-CC-7	NATIONAL RURAL UTILITIES		02/28/2005	AMSOUTH	05/16/2005	AMSOUTH	154,000.000	155,043	154,000	154,000		(1,043)		(1,043)						4,716
3899999	- Subtotal - Bonds - Public Utilities (Unaffiliated)						154,000.000	155,043	154,000	154,000		(1,043)		(1,043)						4,716
Bonds - Industrial and Miscellaneous (Unaffiliated)																				
78442P-CQ-9	SLM CORP		02/28/2005	AMSOUTH	12/01/2005	AMSOUTH	131,000.000	130,454	131,000	131,000		546		546						2,563
12490K-AB-3	CBS CORP		02/25/2005	AMSOUTH	05/20/2005	AMSOUTH	100,000.000	100,946	100,000	100,000		(946)		(946)						3,575
939333-AA-8	WASHINGTON MUTUAL CORP.		02/28/2005	AMSOUTH	06/15/2005	AMSOUTH	100,000.000	101,553	100,000	100,000		(1,553)		(1,553)						4,125
8923E4-JG-7	TOYOTA MOTOR CREDIT		02/23/2005	AMSOUTH	06/23/2005	AMSOUTH	100,000.000	100,000	100,000	100,000										956
054937-AB-3	BB&T CORP		02/28/2005	AMSOUTH	06/30/2005	AMSOUTH	100,000.000	101,153	100,000	100,000		(1,153)		(1,153)						3,188
020002-AL-5	ALLSTATE CORP.		02/24/2005	AMSOUTH	05/02/2005	AMSOUTH	100,000.000	100,901	100,000	100,000		(901)		(901)						3,938
4599999	- Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)						631,000.000	635,007	631,000	631,000		(4,007)		(4,007)						18,345
6099998	- Subtotal - Bonds						4,460,000.000	4,449,923	4,458,516	4,460,000		5,785		5,785						45,595
7499999	- TOTALS							4,449,923	4,458,516	4,460,000		5,785		5,785						45,595

SCHEDULE D - PART 6 - SECTION 1

Valuation of Shares of Subsidiary, Controlled or Affiliated Companies

1  CUSIP Identification	2  Description Name of Subsidiary, Controlled or Affiliated Company	3  Foreign	4 NAIC Company Code or Alien Insurer Identification Number	5 NAIC Valuation Method (See SVO Purposes and Procedures manual)	6  Do Insurer's Assets Include Intangible Assets Connected with Holding of Such Company's Stock?	7  Total Amount of Such Intangible Assets	8  Book/Adjusted Carrying Value	Stock of Such Company Owned by Insurer on Statement Date	
								9  Number of Shares	10  % of Outstanding

NONE

1. Amount of insurer's capital and surplus from the prior period's statutory statement reduced by any admitted EDP, goodwill and net deferred tax assets included therein: \$ .....
2. Total amount of intangible assets nonadmitted \$ .....

SCHEDULE D - PART 6 - SECTION 2

1  CUSIP Identification	2  Name of Lower-tier Company	3  Name of Company Listed in Section 1 Which Controls Lower-tier Company	4 Total Amount of Intangible Assets Included in Amount Shown in Column 7, Section 1	Stock in Lower-Tier Company Owned Indirectly by Insurer on Statement Date	
				5  Number of Shares	6  % of Outstanding

NONE

SCHEDULE DA - PART 1

Showing all SHORT-TERM INVESTMENTS Owned December 31 of Current Year

1	Codes		4	5	6	7	Change In Book/Adjusted Carrying Value				12	13	Interest						20
	2	3					8	9	10	11			14	15	16	17	18	19	
Description	Code	Foreign	Date Acquired	Name of Vendor	Maturity Date	Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change in B. /A.C.V.	Par Value	Actual Cost	Amount Due and Accrued Dec. 31 of Current Year on Bond Not in Default	Non-Admitted Due and Accrued	Rate of	Effective Rate of	How Paid	Gross Amount Received	Paid for Accrued Interest

NONE

SCHEDULE DB - PART A - SECTION 1

Showing all Options , Caps , Floors and Insurance Futures Options Owned December 31 of Current Year

1	2	3	4	5	6	7	8	9	10	11	12	13	14
Description	Number of Contracts or Notional Amount	Date of Maturity , Expiry , or Settlement	Strike Price , Rate or Index	Date of Acquisition	Exchange or Counterparty	Cost/Option Premium	Book Value	*	Statement Value	Fair Value	Increase/ (Decrease) by Adjustment	Used to Adjust Basis of Hedged Item	Other Investment/ Miscellaneous Income

NONE

SCHEDULE DB - PART A - SECTION 2

Showing all Options , Caps , Floors and Insurance Futures Options Acquired During Current Year

1	2	3	4	5	6	7
Description	Number of Contracts or Notional Amount	Date of Maturity , Expiry , or Settlement	Strike Price , Rate or Index	Date of Acquisition	Exchange or Counterparty	Cost/Option Premium

NONE

SCHEDULE DB - PART A - SECTION 3

Showing all Owned Options , Caps , Floors and Insurance Futures Options Terminated During Current Year

1  Description	2  Number of Contracts or Notional Amount	3  Date of Maturity , Expiry , or Settlement	4  Strike Price , Rate or Index	5  Date of Acquisition	6  Exchange or Counterparty	7  Cost /Option Premium	8  Indicate Exercise , Expiration , Maturity or Sale	9  Termination Date	10  Book Value	11  *	12  Consideration Received on Terminations	13  Increase/ (Decrease) by Adjustment	Gain/ (Loss) on Termination			17  Other Investment/ Miscellaneous Income
													14  Recognized	15  Used to Adjust Basis of Hedged Item	16  Deferred	

NONE

SCHEDULE DB - PART B - SECTION 1

Showing all Options , Caps , Floors and Insurance Futures Options Written and In-Force December 31 of Current Year

1  Description	2  Number of Contracts or Notional Amount	3  Date of Maturity , Expiry , or Settlement	4  Strike Price , Rate or Index	5  Date of Issuance/ Purchase	6  Exchange or Counterparty	7  Consideration Received	8  Book Value	9  *	10  Statement Value	11  Fair Value	12  Increase/ (Decrease) by Adjustment	13  Used to Adjust Basis	14  Other Investment/ Miscellaneous Income
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NONE

SCHEDULE DB - PART B - SECTION 2

Showing all Options , Caps , Floors and Insurance Futures Options Written During Current Year

1	2	3	4	5	6	7
Description	Number of Contracts or Notional Amount	Date of Maturity, Expiry, or Settlement	Strike Price, Rate or Index	Date of Issuance/ Purchase	Exchange or Counterparty	Consideration Received

NONE

E18

SCHEDULE DB - PART B - SECTION 3

Showing all Written Options , Caps , Floors and Insurance Futures Options Terminated During Current Year

1	2	3	4	5	6	7	8	9	10	11	12	13	Gain/ (Loss) on Termination			17
													14	15	16	
Description	Number of Contracts or Notional Amount	Date of Maturity, Expiry, or Settlement	Strike Price, Rate or Index	Date of Issuance/ Purchase	Exchange or Counterparty	Consideration Received	Indicate Exercise, Expiration, Maturity or Closing Purchase Transaction	Termination Date	Book Value	*	Consideration Paid on Terminations	Increase/ (Decrease) by Adjustment	Recognized	Used to Adjust Basis	Deferred	Other Investment/ Miscellaneous Income

NONE

SCHEDULE DB - PART C - SECTION 1

Showing all Collar , Swap and Forwards Open December 31 of Current Year

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Description	Notional Amount	Date of Maturity, Expiry, or Settlement	Strike Price, Rate or Index Rec (Pay)	Date of Opening Position or Agreement	Exchange or Counterparty	Cost or (Consideration Received)	Book Value	*	Statement Value	Fair Value	Increase/ (Decrease) by Adjustment	Used to Adjust Basis of Hedged Item	Other Investment/ Miscellaneous Income	Potential Exposure

NONE

SCHEDULE DB - PART C - SECTION 2

Showing all Collar , Swap and Forwards Opened During Current Year

1	2	3	4	5	6	7
Description	Notional Amount	Date of Maturity, Expiry, or Settlement	Strike Price, Rate or Index Rec (Pay)	Date of Opening Position or Agreement	Exchange or Counterparty	Cost or (Consideration Received)

NONE

SCHEDULE DB - PART C - SECTION 3

Showing all Collar , Swap and Forwards Terminated During Current Year

1  Description	2  Notional Amount	3  Date of Maturity , Expiry , or Settlement	4  Strike Price, Rate or Index Rec (Pay)	5  Date of Opening Position or Agreement	6  Exchange or Counterparty	7  Cost or (Consideration Received)	8  Indicate Exercise , Expiration , Maturity or Sale	9  Termination Date	10  Book Value	11  *	12  Consideration Received or (Paid) on Terminations	13  Increase/ (Decrease) by Adjustment	Gain/ (Loss) on Termination			17  Other Investment/ Miscellaneous Income
													14  Recognized	15  Used to Adjust Basis of Hedged Item	16  Deferred	

NONE

E20

SCHEDULE DB - PART D - SECTION 1

Showing all Futures Contracts and Insurance Futures Contracts Open December 31 of Current Year

1  Description	2  Number of Contracts	3  Maturity Date	4  Original Value	5  Current Value	6  Variation Margin	7  Date of Opening Position	8  Exchange or Counterparty	9  Cash Deposit	Variation Margin Information			13  Potential Exposure
									10  Recognized	11  Used to Adjust Basis of Hedged Item	12  Deferred	

NONE



SCHEDULE DB - PART D - SECTION 2

Showing all Futures Contracts and Insurance Futures Contracts Opened During Current Year

1	2	3	4	5	6	7
Description	Number of Contracts	Maturity Date	Original Value	Date of Opening Position	Exchange or Counterparty	Net Additions to Cash Deposits

NONE

E21

SCHEDULE DB - PART D - SECTION 3

Showing all Futures Contracts and Insurance Futures Contracts Terminated During Current Year

1	2	3	4	5	6	7	8	9	10	Variation Margin Information		
										11	12	13
Description	Number of Contracts	Maturity Date	Original Value	Termination Value	Variation Margin	Date of Opening Position	Exchange or Counterparty	Net Reduction to Cash Deposits	Termination Date	Gain / (Loss) Recognized	Gain / (Loss) Used to Adjust Basis of Hedged Item	Gain / (Loss) Deferred

NONE

SCHEDULE DB - PART E - SECTION 1

Showing Counterparty Exposure for Derivative Instruments Open December 31 of Current Year

1	2	3	Statement Value			Fair Value			10	11
			4	5	6	7	8	9		
Description Counterparty or Exchange Traded	Master Agreement (Y or N)	Fair Value of Acceptable Collateral	Contracts Statement Value > 0	Contracts Statement Value < 0	Exposure Net of Collateral	Contracts Fair Value > 0	Contracts Fair Value < 0	Exposure Net of Collateral	Potential Exposure	Off-Balance Sheet Exposure

NONE

SCHEDULE E - PART 1 - CASH

1		2	3	4	5	6	7
Depository		Code	Rate of Interest	Amount of Interest Received During Year	Amount of Interest Accrued December 31 of Current Year	Balance	*
Name	Location and Supplemental Information						
Open Depositories							
SUNTRUST	SUNTRUST BANK-General Operating					115,397	
SUNTRUST	SUNTRUST BANK-Investment					2,487,683	
AMSOUTH	AMSOUTH-General Operating					7,645,211	
AMSOUTH	AMSOUTH-Claims					(10,684,454)	
AMSOUTH	AMSOUTH-Payroll					(3,994)	
AMSOUTH	AMSOUTH-Escrow Cash					367,486	
AMSOUTH	AMSOUTH-Cash					6,063,326	
0199999 - TOTAL - Open Depositories						5,990,655	
0399999 - TOTAL Cash on Deposit						5,990,655	
0499999 - Cash in Company's Office						600	
0599999 - TOTAL Cash						5,991,255	

TOTALS OF DEPOSITORY BALANCES ON THE LAST DAY OF EACH MONTH DURING THE CURRENT YEAR

1. January	12,788,333	4. April	9,174,393	7. July	3,940,422	10. October	1,289,257
2. February	12,298,494	5. May	5,971,234	8. August	7,704,379	11. November	5,675,908
3. March	11,684,171	6. June	11,651,431	9. September	3,278,031	12. December	5,991,256

SCHEDULE E - PART 2 - CASH EQUIVALENTS

1 CUSIP Identification	2 Description	3 Code	4 Date Acquired	5 Rate of Interest	6 Maturity Date	7 Book/Adjusted Carrying Value	8 Amount of Interest Due and Accrued	9 Gross Investment Income
------------------------------	------------------	-----------	--------------------	-----------------------	--------------------	--------------------------------------	--	---------------------------------

NONE

SCHEDULE E - PART 3 - SPECIAL DEPOSITS

States, Etc.		1	2	Deposits with the State of Domicile For the Benefit of All Policyholders		All Other Special Deposits	
		Type of Deposit	Purpose of Deposit	3 Book/Adjusted Carrying Value	4 Fair Value	5 Book/Adjusted Carrying Value	6 Fair Value
1. Alabama	AL						
2. Alaska	AK						
3. Arizona	AZ						
4. Arkansas	AR						
5. California	CA						
6. Colorado	CO						
7. Connecticut	CT						
8. Delaware	DE						
9. District of Columbia	DC						
10. Florida	FL						
11. Georgia	GA						
12. Hawaii	HI						
13. Idaho	ID						
14. Illinois	IL						
15. Indiana	IN						
16. Iowa	IA						
17. Kansas	KS						
18. Kentucky	KY						
19. Louisiana	LA						
20. Maine	ME						
21. Maryland	MD						
22. Massachusetts	MA						
23. Michigan	MI						
24. Minnesota	MN						
25. Mississippi	MS						
26. Missouri	MO						
27. Montana	MT						
28. Nebraska	NE						
29. Nevada	NV						
30. New Hampshire	NH						
31. New Jersey	NJ						
32. New Mexico	NM						
33. New York	NY						
34. North Carolina	NC						
35. North Dakota	ND						
36. Ohio	OH						
37. Oklahoma	OK						
38. Oregon	OR						
39. Pennsylvania	PA						
40. Rhode Island	RI						
41. South Carolina	SC						
42. South Dakota	SD						
43. Tennessee	TN						
44. Texas	TX						
45. Utah	UT						
46. Vermont	VT						
47. Virginia	VA						
48. Washington	WA						
49. West Virginia	WV						
50. Wisconsin	WI						
51. Wyoming	WY						
52. American Samoa	AS						
53. Guam	GU						
54. Puerto Rico	PR						
55. U. S. Virgin Islands	VI						
56. Canada	CN						
57. Aggregate Alien and Other	OT	XXX	XXX				
58. Total		XXX	XXX				
DETAILS OF WRITE-INS							
5701.							
5702.							
5703.							
5798. Summary of remaining write-ins for Line 57 from overflow page		XXX	XXX				
5799. Total (Line 5701 through Line 5703 plus Line 5798) (Line 57 above)		XXX	XXX				



**NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS**

**SCHEDULES SIS**

**STOCKHOLDER INFORMATION SUPPLEMENT**

**For The Year Ended December 31, 2005**  
**(To Be Filed by March 1)**

**REQUIRED BY THE APPLICABLE QUESTION ON THE SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES  
FOR THE PROPERTY/CASUALTY, LIFE ACCIDENT AND HEALTH,  
TITLE, AND HEALTH INSURANCE BLANKS**

**TO ANNUAL STATEMENT OF THE**  
**MEMPHIS MANAGED CARE CORPORATION**

GENERAL INSTRUCTIONS

The Stockholder Information Supplement shall be completed by all stock companies incorporated in the U. S. A. which have 100 or more stockholders. Such supplement shall be filed with the Insurance Commissioner of the company's domiciliary state as a part of its Annual Statement. The information required to be contained in this supplement is to be furnished to the best of the knowledge of the company. Where appropriate, the company should obtain the required information, in writing, from its Directors or Officers and from any person known to the company to be the beneficial owner of more than 10% of any class of its equity securities.

The term "officer" means a President, Vice-President, Treasurer, Actuary, Secretary, Controller and any other person who performs for the company functions corresponding to those performed by the foregoing officers.

FINANCIAL REPORTING TO STOCKHOLDERS

1. Did the company distribute to its stockholders prior to the Annual Meeting during the year an Annual Report for the previous year?  
If answer is "Yes", attach copy. If answer is "No", explain in detail below. Attach separate sheet if necessary.

Answer: Yes ( ) No ( )
2. Will the company distribute to its stockholders prior to the Annual Meeting during the following year an Annual Report for the current year?  
If answer is "Yes", a copy of the report shall be forwarded to the Insurance Commissioner of the company's domiciliary state at the same time as it is distributed to stockholders. If answer is "No", explain in detail below. Attach separate sheet if necessary.

Answer: Yes ( ) No ( )
3. If an Annual Report to stockholders was distributed for the previous year; (1) was such distribution prior to or contemporaneous with the solicitation of proxies in respect to the Annual Meeting?  
If the answer is "No", explain in detail below. Attach separate sheet i

Answer: Yes ( ) No ( )

(2) Did it contain the following financial statements (indicate answer on the basis (individual or consolidated) as required to be present in

NONE

To be answered by Life and A & H Companies:

- a. Statement of Assets, Liabilities, Surplus and Other Funds.....
- b. Summary of Operations .....
- c. Surplus Account.....

To be answered by Property and Casualty Companies:

- a. Statement of Assets, Liabilities, Surplus and Other Funds.....
- b. Statement of Income .....
- c. Capital and Surplus Account.....

To be answered by Title Insurance Companies:

- a. Statement of Assets, Liabilities, Surplus and Other Funds.....
- b. Statement of Income - Operations and Investment Exhibit.....
- c. Capital and Surplus Account.....

To be answered by Health Insurance Companies:

- a. Statement of Assets, Liabilities, Capital and Surplus.....
- b. Statement of Revenue and Expenses .....
- c. Capital and Surplus Account.....

olumn A	Column B
Yes ( ) No ( )	Yes ( ) No ( )
Yes ( ) No ( )	Yes ( ) No ( )
Yes ( ) No ( )	Yes ( ) No ( )
Yes ( ) No ( )	Yes ( ) No ( )
Yes ( ) No ( )	Yes ( ) No ( )
Yes ( ) No ( )	Yes ( ) No ( )
Yes ( ) No ( )	Yes ( ) No ( )
Yes ( ) No ( )	Yes ( ) No ( )
Yes ( ) No ( )	Yes ( ) No ( )
Yes ( ) No ( )	Yes ( ) No ( )
Yes ( ) No ( )	Yes ( ) No ( )

SUPPLEMENT FOR THE YEAR 2005 OF THE MEMPHIS MANAGED CARE CORPORATION

**INFORMATION REGARDING MANAGEMENT AND DIRECTORS**

**(See Instructions Below)**

1. Furnish the following information for each director , and for each of the three highest paid officers, whose aggregate direct remuneration exceeded \$100,000 during the year , naming each such person.

1  Name and Title	2  Principal Occupation or Employment	3  Served as Director From	4  Aggregate Direct Remuneration	Benefits Accrued or Set Aside During Year		Est. Annual Benefits Upon Retirement	
				5 Retirement Plan	6 Other Employee Benefits	7 Retirement Plan	8 Other Employee Benefits

NONE

Furnish on a separate sheet the following information as to each of the individuals named above (or state below that such information is not present):

- A. Information as to any material interest, direct or indirect, on the part of such individual during the year in any material transaction or any material proposed transaction as to which the Company, or any of its subsidiaries, was or is to be a party.

B. Information as to all options to purchase securities of the Company granted to or exercised by each such individual during the year.
2. Answer "yes" or "no" in each column as to whether or not the information in Item 1 above has been, or will be, furnished to stockholders in any proxy statement relating to (i) the election of directors, (ii) any bonus, profit sharing or other remuneration plan, contract or arrangement in which any director, nominee for election as a director, or officer of the Company will participate, (iii) any pension or retirement plan in which any such person will participate, or (iv) the granting or extension to any such person of any options, warrants, or rights to purchase any securities, other than warrants or rights issued to security holders, as such, on a pro rata basis. If any answer is "no" explain in detail on a separate sheet.
3. Furnish the information specified in Item 1 for all directors and all officers of the Company, as a group, without naming them.
4. Did the stockholders have an opportunity to vote for or against the election of directors and also other matters to be presented at any stockholder's meeting?

Answer: .....

If answer is "no" explain on separate sheet.
5. Will the Company solicit proxies from its stockholders during the following year and will such solicitation(s) precede any shareholders' meeting or meetings by at least 10 days?

Answer: ..... If answer is "yes" and proxies are to be solicited, copies of the proxy statement and form of proxy and other soliciting material to be furnished stockholders shall be submitted to the Insurance Commissioner of the Company's domiciliary state at least 10 days prior to the date such material is first sent or given to stockholders.

If answer is "no" and proxies are not to be solicited from stockholders, explain in detail below. Attach separate sheet if necessary.

**INSTRUCTIONS FOR INFORMATION REGARDING MANAGEMENT AND DIRECTORS**

1. This information applies to any person who was a director or officer of the Company at any time during the year . However, information need not be given for any portion of the year during which such person was not a director or officer of the Company.

2. Include under "Other Employee Benefits" information for such items as savings plans, deferred compensation plans, thrift plans, profit sharing plans, etc., or other contracts, authorizations or arrangements, whether or not set forth in any formal document. Briefly describe such "plans" and the basis upon which directors or officers participate therein, if not previously described in a prior "Stockholder Information Supplement" indicating date thereof. Company cost of benefits accrued or set aside need not be stated with respect to payments computed on an actuarial basis under any plan which provides for fixed benefits on retirement at a specified age or after a specified number of years of service.

3. Information need not be included as to payments made for, or benefits received from, group life or accident insurance, group hospitalization or similar group payments or benefits.

4. If it is impractical to state the amount of the estimated annual benefits proposed to be made upon retirement, the aggregate amount set aside or accrued to date in respect of such payment should be stated, together with an explanation of the basis for future payments.

5. Attach separate sheets if necessary to fully answer questions.



STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES  
(See Instructions Below)

1  Name and title of (a) Each Director and Each Officer with any ownership and (b) any other Owner of more than 10%	2  Title of Security	3  Nature of Ownership	Number of Shares				
			4  Owned at end of Prior Year	5  Acquired During Current Year	Disposed of During Current Year		
					6  Held Less Than 6 Months	7  Held 6 Months or More	8  Owned at End of Current Year

NONE

Note: Answer "yes" or "no" as to whether the information concerning the number of shares owned at the end of the year (as shown in Column 8) by each Director and the three highest paid Officers whose aggregate direct remuneration exceeded \$100,000 during the year, has been or will be furnished to stockholders in a proxy statement or otherwise.  
Answer: Yes ( ) No ( ) If answer is "no" explain in detail on separate sheet.

State the number of stockholders of record of the company at the end of the year . Answer: .....



SUPPLEMENTAL COMPENSATION EXHIBIT

(To be filed by March 1)

PART 1 - INTERROGATORIES

1. The reporting insurer is a member of a group of insurers or other holding company system: Yes ( ) No (X)  
If yes, do the below amounts represent  
1) total gross compensation paid to each individual by or on behalf of all companies which are part of the group: Yes [ ] ; or  
2) allocation to each insurer: Yes [ ] .
2. Did any person while an officer, director, or trustee of the reporting entity receive directly or indirectly, during the period covered by this statement any commission on the business transactions of the reporting entity?

Yes ( ) No (X)
3. Except for retirement plans generally applicable to its staff employees, has the reporting entity any agreement with any person, other than contracts with its agents for the payment of commissions whereby it agrees that for any service rendered or to be rendered, that he/she shall receive directly or indirectly, any salary, compensation or emolument that will extend beyond a period of 12 months from the date of the agreement?

Yes ( ) No (X)

PART 2 - OFFICERS AND EMPLOYEES COMPENSATION

1		2	Annual Compensation			
Principal Position	Name		3	4	5	6
		Year	Salary	Bonus	All Other Compensation	Totals
Chief Executive Officer		2005	.....	.....	.....	.....
		2004	.....	.....	.....	.....
		2003	.....	.....	.....	.....
1.CFO	ART ANSERT	2005	.... 114,449	..... 10,983	.....	..... 125,432
		2004	.... 120,690	..... 10,983	.....	..... 131,673
		2003	.... 111,750	..... 9,584	.....	..... 121,334
2.MEDICAL DIRECTOR	DIANNA GRANT	2005	.... 250,027	..... 22,073	.....	..... 272,100
		2004	.... 242,563	..... 22,073	.....	..... 264,636
		2003	.... 231,013	..... 19,636	.....	..... 250,649
3.PRESIDENT	AL KING	2005	.... 279,996	.....	.....	..... 279,996
		2004	.... 190,354	.....	.....	..... 190,354
		2003	.... 220,000	..... 28,050	.....	..... 248,050
4.VP OF MEDICAL	JAMIE PATTERSON	2005	.... 121,646	..... 10,575	.....	..... 132,221
		2004	.... 126,767	..... 10,575	.....	..... 137,342
		2003	.... 110,677	..... 9,408	.....	..... 120,085
5.VP OF HR	KATHY LONDOW	2005	.... 113,596	..... 10,010	.....	..... 123,606
		2004	.... 114,561	..... 10,010	.....	..... 124,571
		2003	.... 98,453	..... 8,369	.....	..... 106,822
6.VP OF OPERATIONS	MICHAEL JONES	2005	.... 99,121	..... 8,784	.....	..... 107,905
		2004	.... 103,647	..... 8,784	.....	..... 112,431
		2003	.... 92,820	..... 7,890	.....	..... 100,710
7.VP OF ADMINISTRATION	MICHAEL SCARBROUGH	2005	.... 119,524	..... 10,511	.....	..... 130,035
		2004	.... 116,430	..... 10,510	.....	..... 126,940
		2003	.... 98,175	..... 8,345	.....	..... 106,520
8.		2005	.....	.....	.....	.....
		2004	.....	.....	.....	.....
		2003	.....	.....	.....	.....
9.		2005	.....	.....	.....	.....
		2004	.....	.....	.....	.....
		2003	.....	.....	.....	.....





ANNUAL STATEMENT FOR THE YEAR 2005 OF THE MEMPHIS MANAGED CARE CORPORATION

**STATEMENT OF ACTUARIAL OPINION**

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I have reviewed the Underwriting and Investment Exhibit, Part 2B. The schedule was prepared consistent with *Section 3.6, Follow-Up Studies* contained in Actuarial Standard of Practice No. 5, *Incurred Health Claim Liabilities*.

The reserves and related actuarial items identified above make adequate provision for the anticipated cash flows related to the contractual obligations and expenses of MMCC, when considered in conjunction with the assets held by MMCC with respect to such reserves and related actuarial items, including, but not limited to, the cash flows on such assets and the considerations anticipated to be received under such policies and contracts.

The actuarial methods, considerations and analyses used in forming my opinion conform to the appropriate Standards of Practice as promulgated by the Actuarial Standards Board, which standards form the basis of this statement of opinion.

A. Kirk Twiss  
Fellow, Society of Actuaries  
Member, American Academy of Actuaries

Reden & Anders, Ltd.  
200 W. Madison Street, Suite 2450  
Chicago, Tennessee 60606  
(312) 429-3905

AKT:bc

February 26, 2006

**Report #2A: TENNCARE OPERATIONS STATEMENT OF REVENUES AND EXPENSES**

	Current Year		Previous Year
	Current Period	Year to Date Total	Total
Member Months	540,270	2,246,795	2,369,087
<b>REVENUES:</b>			
1 TennCare Capitation	87,032,898	367,876,872	366,975,393
2 Investment	313,406	864,208	247,606
3 Other Revenue	15,266	43,358	764,874
4 Total Revenue	87,361,570	368,784,439	390,850,243
<b>EXPENSES:</b>			
Medical and Hospital Services			
5 Capitated Physician Services	2,990,738	12,205,478	11,513,525
6 Fee for Service Physician Services	22,920,541	93,556,322	89,264,441
7 Inpatient Hospital Services	21,071,552	90,584,074	73,923,828
8 Outpatient Services	28,313	138,972	270,682
9 Emergency Room Services	6,517,513	27,868,700	23,979,250
10 Mental Health Services	2,067	17,119	34,970
11 Dental Services	-	-	49,461
12 Vision Services	478,011	1,926,889	2,618,960
13 Pharmacy Services	-	2,511	37,822
14 Home Health Services	908,351	3,589,644	2,983,935
15 Chiropractic Services	-	-	-
16 Radiology Services	1,110,153	5,275,687	10,509,469
17 Laboratory Services	2,354,851	10,909,636	10,309,176
18 Durable Medical Equipment Services	95,945	928,798	7,271,374
19 Transportation Services	989,529	4,043,600	4,441,843
20 Outside Referrals	-	-	-
21 Medical incentive Pool and Withhold Adjustments	-	-	-
22 Occupancy Depreciation and Amortization	-	-	-
23 Other Medical and Hospital Services	23,440,502	80,912,940	97,558,604
24 Subtotal	82,908,066	331,960,371	334,767,340
25 Reinsurance Expense Net of Recoveries	-	1,190,059	2,696,067
<b>LESS:</b>	-	-	-
26 Copayments	-	-	-
27 Subrogation	(152)	6,093	304,885
28 Coordination of Benefits	-	244	487,529
29 Subtotal	(152)	6,336	792,414
30 TOTAL MEDICAL AND HOSPITAL	82,908,218	333,144,093	336,670,993
Administration	-	-	-
31 Compensation	2,451,311	9,881,839	9,779,655
32 Marketing	18,079	61,912	83,143
33 Interest Expense	-	-	-
34 Premium Tax Expense	1,771,374	11,245,609	-
35 Occupancy Depreciation and Amortization	190,082	858,581	1,191,557
36 Other Administration	708,705	7,995,175	11,907,077
37 TOTAL ADMINISTRATION	5,139,552	30,043,116	22,961,433
38 TOTAL EXPENSES	79,520,020	362,997,880	359,632,426
39 NET INCOME (LOSS)	2,475,393	8,188,759	8,355,447